BY THE WAY, THAT U.N. VOTE WAS RIGHT

The Washington Monthly

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Letters

Spies Who Blow Whistles

As a former CIA officer I want to say about Thomas N. Bethell's "The Spy Who Went Out in the Cold War" (March) that everyone at the agency holding a position higher than clerk typist knew or suspected what the article reveals. Everyone also knew the culprit. Who denounces the President? If Mr. Helms had blown the whistle, he would have been discredited. If he had resigned, his place would have been taken by someone less competent and more amenable to presidential arm-twisting. After all, who appoints the director of the CIA? The situation that developed was one endemic to any hierarchical organization, and its name is courtiership. The only cure for it that I can see is a constitutional amendment specifically embodying the restrictions in the CIA charter. Then the remedy for presidential misconduct would be impeachment, and the director of the CIA and others could (and, I trust, would) blow the whistle.

MURRAY S. DAVIS, Jr.
Benicia, California

The author replies:

Do we really need a constitutional amendment requiring good conduct? The entire Constitution addresses that issue, and remedies for presidential misconduct are quadrennially available—and, as Mr. Nixon discovered, at other times too. As for Mr. Helms, I doubt that even the protection of an amendment would have made him a whistle-blower; he was too much a courtier by nature. I tried to suggest that the solution, if there is one, lies not with charters and amendments but with finding presidents willing to listen to messengers who bring bad news.

Stimulating the Sullen Citizenry

As a staff member with responsibility for preparing speech materials for Wisconsin Gov. Lee Dreyfus, I especially enjoyed Walter Shapiro's "Tales from the Bore War" (February).

What I feel Mr. Shapiro failed to acknowledge is [that] an intelligent and evocative speech can turn on the sullen citizenry who are disenchanted with politicians, frustrated by big government, and angered by high taxes. While Mr. Shapiro would probably concur with Adlai Stevenson that "the best after-dinner speech is 'Waiter, I'll take the check,' " I believe it important that the public be allowed to hear policy-makers. . . .

JOSEPH A. RICE
Madison, Wisconsin

Your Money and/or Your Life

I've come across an ideal item for your "Tidbits and Outrages" column. In the March issue of a public affairs journal, *The Washington Monthly*, the editor writes: "Kennedy's price controls and gas rationing might protect my money, but his opposition to the draft might endanger my life."

You could run this under a heading such as "Whose Life?" or perhaps, "Oh, I get it—he's over draft age."

PETE WILSON
New York, N.Y.

This Country Needs a Good 5-Cent Subway

Your suggestion in "Tilting at Windmills" (February) that reduced fares would make public transit more attractive whisked me back to the spotless marble halls of the Mexico City subway, where you can ride one of the shiny, whisper-quiet trains for less than a nickel. With 36,000 taxis and almost as many buses, Mexico City would be one terminal traffic jam were it not for the low-fare magnet beneath the streets.

COLIN G. JAMESON
Key West, Florida

. . . And a Good 5-Cent Car

As an "expense-account executive" who rents cars from time to time, I seek your help. You point out in "Tilting at Windmills" (March) that to order a "compact" is to get a behemoth gas-guzzler billable to the company merely as a "Ford." That's my experience. I drive a mini-pickup truck normally and seek nothing longer, more lavish, or less economical when I rent. Just as you suggest, though, I get a Leviathan. Could you discover, through your far-flung investigative apparatus, just what nomenclature works to get a truly small car? Think of the gas we could save!

STEPHEN K. GALPIN
Southport, Connecticut

The editor replies:

Our far-flung investigative apparatus suggests approaching all car-rental agencies with extreme caution. In many cities, however, the smaller agencies—the ones that can't afford to rent space at the airport, so you have to wait a while to pick up your car—are more willing to give you what you ask for, in return for a modicum of inconvenience.

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MAY 1980

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You've heard of buy now, pay later?

Well now it's later!

It may shock you to learn that Congress has no say in how 75 percent of this year's federal budget will be spent. That three-fourths of the budget is "entitlements"...programs which disburse—on demand—benefits or services authorized by past Congresses...countless commitments which once enacted are "set in stone," regardless of future costs.

Included are such programs as Social Security, some Veterans' benefits, unemployment assistance, Medicare, Medicaid, and others. This is not to suggest that such programs be eliminated, but spending associated with them must be controlled. *At the present rate of growth, these open-ended programs will consume 90 percent of the federal budget by the year 2000.*

If Congress were to agree today to inflation remedies, such as a balanced budget or spending limitation, essential reductions could be imposed on only 25 percent of the budget. This would mean severe cuts in controllable items such as defense, education, and even some poverty programs.

Yet Congress seems unwilling to do anything to limit or reduce the number of "blank check" programs. In fact, new ones are being initiated, and interest groups lobby hard to protect existing programs.

Congress must be more than what Representative David Stockman calls "a green eye-shaded disbursement officer who totes up the bill, writes the check, and then trundles off to mourn after the process is all over."

No new programs should be added in the entitlement category. Fiscally responsive legislators must begin to shift programs already in that category back to the annual appropriations process. There the efficiencies of the delivery system and merits and need for specific programs will be subject to Congressional review. Fiscal responsibility is incompatible with blank check legislation. Amway Corporation, Ada, MI 49355.

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One of a series of messages to stimulate public dialogue about significant national issues.

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Tilting at windmills

Computers are being installed all over the country to count votes. Now, I have seen the way government computers work—they will, I can assure you, respond to a Russian rocket launch by spitting forth 500,000 erroneous Social Security refunds. And I have also been a politician in West Virginia—where the term Lever Brothers refers not to the soap company but to a Logan County family particularly adept at the manipulation of voting machines. So I wish to sound a warning. My concern is shared by Fanny Seiler, who as a political columnist for *The Charleston Gazette* has become familiar with the folk art of my native state. She tracked down Joseph Domaschko, a computer expert who assured her that with a brief refresher course in programming, the Lever Brothers could achieve with computers the same results they have obtained in recent years on the voting machine, and before that (thanks to the art-gum eraser) with a paper ballot. . . .

•

In case you think the consultant explosion described elsewhere in this issue is confined to the federal government, *The San Jose News* in Santa Clara County, California reports that the county's expenditures for studies and consultants' fees have multiplied more than seven-fold during the past decade.

This heightens my already strong suspicion that revenue-sharing is being used by state and local government to reproduce at the grass roots all the inanities of life in Washington. Surely this is one budget cut that Carter is right about. Why should a federal government with a deficit give money to states with a surplus? . . . One of my favorite consultant stories didn't get into the articles in this issue. It concerns a "sole-source" contract for $71,000 awarded by the Office of Education to the American Association of School Administrators. The sole-source contract—granted without competitive bidding—was justified on the ground that AASA was "the only firm that can reasonably and economically meet the contract requirements." AASA proceeded to subcontract $55,000 of the job to another consultant. . . .

We'll spend $1.2 billion on military retirees this month. And every month. We're spending ten percent of the total defense budget on pensions—paying people not to fight. This is a scandal for several reasons. With their twice-a-year cost-of-living increases, many retirees can make more by staying at home than they would by going to work. Ironically, they're often pushed into this enviable situation by policies that encourage servicemen to retire as early as their late thirties and make it practically mandatory by their mid-fifties. There's an unofficial but virtually ironclad bureaucratic rule that career advancement is related to the number of one's subordinates. When there aren't enough command slots to go around, some of the commanders have to retire. So men who have demonstrated enough ability to rise to, say, rear admiral by their late forties are shoved out in their early fifties—an age when they could be serving their country for another decade. There is a lot of useful and important work that does not require a retinue of flunkies, including many of the engineering tasks

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that many West Point and Annapolis graduates are trained to perform.

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Some of our car makers might still beat the Japanese and Germans if they would just advertise their cars' primary virtue: safety. Every foreign car tested flunked the recent tests by the National Highway Traffic Safety Administration. The only cars that passed were the Chevrolet Citation, Pontiac Phoenix, Ford Mustang, Mercury Capri, Dodge Omni, Plymouth Horizon, Dodge Magnum, Chrysler Cordoba, Oldsmobile Omega,and Buick Skylark. If you had been riding in a Toyota Corolla, a Volvo, or one of the other foreign cars tested, a 35-mile-per-hour crash would probably have killed or very seriously injured you. The reluctance of the American manufacturers to exploit this edge may be due to the fact that you also would have been killed or seriously injured had you been riding in any of the 24 American cars that failed the test.... The nature of the "public" served by public television is suggested by the fact that it, not commercial television, carries *Wall Street Week*....

•

Real estate commissions generally run in the six to seven-percent area. Is this a matter of chance, a response to economic laws or a conspiracy? Carol MacLennan and David Serber of the University of California studied the question and found that while real estate agents tolerate a broad variety of illegal and unethical practices by one another, there is one matter of principle upon which they are steadfast: opposition to commission cutting. When an agent attempts to reduce his commission, he is gently reminded that he has wandered into no-no land. "The most commonly practiced and apparently most effective means of controlling deviants is through character assassination," report Serber and MacLennan. "A number of agents will visit or call the discount broker's customers and say or imply that he is 'unethical, a crook, unable to sell property.'"

•

There is a book all subscribers to this magazine should read. It is called *Le Mal Francais*, its author is Alain Peyrefitte, and it describes the French version of the bureaucratic sickness that is the central concern of *The Washington Monthly*. Unaccountability is the main problem there just as it is here: "Those who know do not decide; those who decide do not know." Unfortunately, the book is only available in French.... Further confirmation of our belief that bureaucracy is the central problem of our time comes from Jay Mathews, *The Washington Post*'s correspondent in China. In an article published in April, he writes: "Ask any Chinese from Vice Premier Deng Xiaoping on down to a hotel room attendant: 'Who are the real enemies of the people these days?' In one way or another they will respond, 'The bureaucrats.'"...

Another good book is Elmer Bendiner's *The Fall of Fortresses*. It should be required reading for the generation that got its view of the American bombing of Germany from Kurt Vonnegut. They all seem to think that the American air corps in Europe dedicated itself to mass bombing of civilians. This simply is not true. The English did do such bombing. It could be done at night when it was safer for the pilots. Thousands of American airmen died because they did not employ the English strategy but instead attempted precision bombing of German factories in the daylight, exposing themselves to murderous attacks by German fighters and, sadly, seldom inflicting serious damage. Civilians were hit, but only because our bombers were missing the target as they tried to dodge the flak. I think we should have done exactly what the British did, because I think it is exactly what the Germans deserved. But whether you agree with me or not, the Vonnegut version is a serious distortion of history....

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Do you ever wonder why the Federal Reserve Board acts with such delicate sensitivity to the interests of the banks and

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HOW GM "PROJECT CENTERS" CREATE CARS

FROM CONCEPT TO CUSTOMER IN THREE YEARS AND THREE BILLION DOLLARS

Throughout the history of the automobile industry, product change was almost always evolutionary. But in 1973, GM determined that the times required revolutionary changes. It started its first Project Center—which by itself heralded a revolution in the use of science and technology to meet the changing demands of the marketplace. A few months later, the Arab countries launched the oil embargo. Fortunately, machinery was already in motion in GM to create and develop new cars and components in a new way and faster than ever before.

GM's first Project Center brought out totally new full-size cars: smaller, yet roomier, and far more efficient than their predecessors. The advertisements said they were "designed and engineered for a changing world"—and they were. Another Project Center, begun in 1975, developed the immensely popular GM X-cars.

Led by the five car divisions, Project Centers gather people, ideas, and knowledge from all 30 divisions and staffs of General Motors. In the first stage, which we call "concepting," experimental engineers, environmental scientists, forward planners, and marketing experts pool their thinking. Their objective: what the marketplace will require. This is the most important stage. Here we must determine not only what kind of car, but how many we might be able to build and sell years later. Economics, customer tastes, availability of various kinds of fuels must be compared with state-of-the-art technology—and what steps must be taken to advance that technology quickly yet surely.

In the "concepting" stage, a new car is conceived. If the car is to be sold to customers three years later, construction of new plants must begin and basic tooling must be ordered.

The second phase of the Project Center takes 24 to 30 months. It encompasses development, design, structural analysis, handling analysis, emissions, noise and vibration, safety, reliability, serviceability and repairability, manufacturing, assembly, marketing, financing.

Advanced product engineers and research scientists work with the one hundred fifty to two hundred people at the Project Center and thousands more in the staffs and divisions to transfer new science and technology to the new car. Components are hand-built and "cobbled" into existing models for road testing.

Prototype cars are hand-built at a cost of more than $250,000 each. These enable the Project Center team to determine how newly developed, pretested components operate as a unit. Then, pilot models will be built from production tooling and tested some more. New technology, such as structural analysis by computer, saves time. Lead time has been reduced by 25% from ten years ago, when cars were far less complex.

After almost four million miles, nearly three billion dollars, and nearly three years of work, the new cars—quite unlike anything before them—start coming off the production line at a rate of better than one a minute.

There are now eight Project Centers in General Motors. Four are developing new cars using hydrocarbon fuels, one is creating an electric car, and others are working on computerized engines and emission controls, a new kind of automatic transmission, and the inflatable restraint system.

New and revolutionary cars can't be mass produced for the road overnight. But by putting all the parts of General Motors to work together, we found a way to speed up the process. We have integrated the creativity of thousands of human minds to make invention into reality when it's needed.

This advertisement is part of our continuing effort to give customers useful information about their cars and trucks and the company that builds them.

General Motors

People building transportation to serve people

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with such total indifference to the hardships it visits on the rest of us? The reason is that the Fed is not accountable to the rest of us. Its constituency is its member banks. The most recent example of what the Fed will do to the rest of us in order to protect the banks is the case of the money market funds. These funds—like Dreyfus Liquid Assets and Merrill Lynch Ready Assets—were offering high interest rates to people who wanted greater liquidity than that offered by the six-month $10,000 certificates of deposit on which banks paid such rates. The banks didn't like the competition. So the Fed has required that 15 percent of the money market funds be invested in non-interest-bearing accounts so that their return will no longer worry the banks. The catch for the average man is that these funds required initial investments as low as $1,000 and were the only way he could get a return on his money comparable to his rich friends with their $10,000 certificates of deposit. . . .

Early this year congressmen had a chance to gain some degree of influence over the Fed and spare themselves those hearings during which their concerns about high interest rates are dismissed with a bland wave of Paul Volcker's cigar. Volcker was worried about the loss of member banks. In the last quarter of 1979 and in the first month of this year, 69 banks with total deposits of $7 billion gave notice of withdrawal from the Federal Reserve System. Volcker needed congressional action to stop the withdrawals that were threatening his power. Here at last Congress had a chance to make him put down that cigar and talk turkey about lowering interest rates. Instead it passed his bill in record time. . . .

•

In case you worry about running out of oil, bauxite, or cocoa butter, add a new shortage to your list. Flute rationing is around the corner. Boston's Haynes Flute & Piccolo Co. has a seven year waiting list for flutes. And prices are going up so fast—from about $2,000 to $3,500 per flute in two years—that one knowledgeable flute aficionado swears he knows people who put in orders with Haynes solely for the purpose of selling their place in line later. What sort of trading is this? Flute futures. "July wheat off three points today, July orange juice even, and flute futures were flat. . . ."

•

Liberals are of two minds on crime. For regular, ordinary criminals, they seek alternatives to prison, like work-release, halfway houses, restitution, probation, and fines. But for the corporate criminals, they want jail. A bill before the Senate provides for up to five years imprisonment *without parole* for employers who violate environmental and health and safety laws. A bill before the House makes it a felony, punishable by two years in prison, for "an appropriate manager" who knows of a serious health or safety hazard to conceal it from the public and affected employees. The usual liberal position—that prisons only breed more crime—is thus replaced by the conservative notion that prison deters. To me the justification for prison is not deterrence or rehabilitation, it is punishment of the guilty and protection of society. In case you've never visited your local jail, six months' imprisonment is adequate punishment for just about any crime. The only justification for longer sentences—all of which qualify as cruel and unusual—should be to protect the rest of us. This means locking up the violent, sane or insane, until—and only until—they have ceased to be violent, which usually happens when they reach middle age. . . .

•

With a little help from the government, the market could do unto OPEC what it has done unto Bunker Hunt. OPEC's prices, remember, are not based on the cost of production. Like Hunt's silver prices they are based on partial control of a commodity. But any such control that is not complete is subject to market forces, as Hunt found out. There are non-OPEC sources of oil, enough to fill at least half of our present demand. If we ration gas at the same level of strictness that we did during World War II, we would cut our

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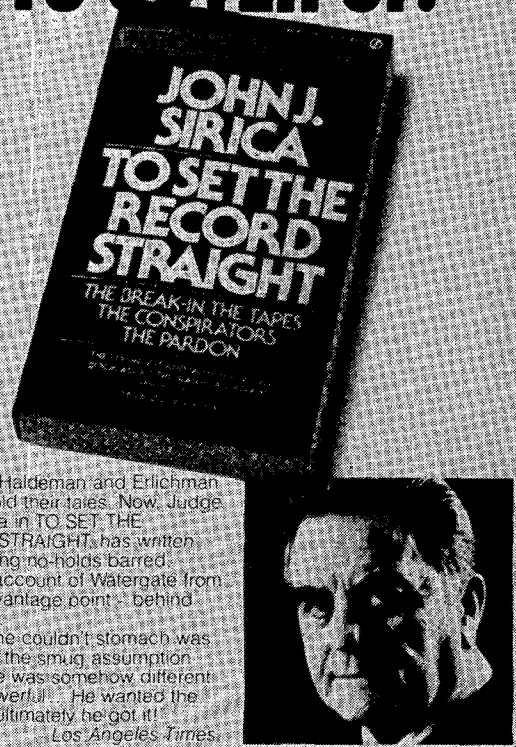
consumption in half. Since we are the largest consumer of the world's oil production, such a cut would collapse prices and OPEC would join Bunker Hunt and all the other high rollers who have tried to act as if they controlled a market they really didn't. The most important result would be to squeeze out of world inflation its largest single factor—a factor that is also the most unnecessary because it is based not on real cost but on cartel pricing.

•

My greatest regret during this presidential campaign has been the failure of the press to investigate and report the pros and cons of Kennedy's positions in favor of price controls and gas rationing. There were good arguments for both but the reporting was so bad I don't even know if Kennedy knew them. . . . An even more special place in Hell than those reporters have earned should be reserved for the economists who concluded that the cause of the price rises in 1946-47 and 1973-74 were the controls that had preceded them. The 1946-47 inflation was caused by bidding up items in short supply, like automobiles, shortages that in turn had been caused not by price controls but by war-time production priorities that did not emphasize passenger cars and other civilian goods. The 1973-74 inflation was caused not by the price controls but by the radical OPEC price increases of 1973-1974 and the shortages caused by the 1972 Russian wheat deal.

But the economists have persuaded Jimmy Carter and most of respectable America that price controls were the villain in each case. The result is that Carter does not have any authority to impose price controls. He would have to ask Congress for such authority, and in the

AT LAST, AN ACCOUNT OF WATERGATE BY SOMEONE WITH NOTHING TO COVER UP.



Nixon, Haldeman and Erlichman have all told their tales. Now, Judge John Sirica in TO SET THE RECORD STRAIGHT has written his revealing no-holds barred personal account of Watergate from a unique vantage point: behind the bench.

"What he couldn't stomach was hypocrisy, the smug assumption that justice was somehow different for the powerful. . . He wanted the truth and ultimately he got it!"

Los Angeles Times

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time it would take to be enacted, prices would surely explode as nervous businessmen hurried to raise them before the bill became effective. Now all we can do is campaign for gas rationing—and go along with Carter's budget-balancing as the only other effective way of controlling inflation. But going along doesn't mean that we are prevented from trying to make sure the budget cuts come in the right places, like, for example, the MX missile (see Bill Keller's article beginning on page 53). . . .

•

The revolving door has been redesigned at the Federal Communications Commission, the agency that regulates broadcasters. Booker T. Wade, Jim Watson, and Sam Cooper—all attorneys at the agency, two of them assistants to FTC commissioners—are going into business on their own. But they aren't starting a law firm. They're starting a broadcasting company. I always admire people who find it in themselves to leave the risk-free environment of federal employment to become entrepreneurs, but some things about this venture make me pause. I'm told, for example, that the attorneys plan to ask their former bosses to waive at least two major commission regulations that would threaten their profits. They'll probably get a fair hearing, since in advance of filing their petition they presented their case in private to the commissioners' staff (their former colleagues)—a procedure that is perfectly legal, although not one that many outside the agency would know to take advantage of. . . . But, you ask, didn't the government's new revolving-door rules prevent this sort of thing? Not quite. There is a one-year ban on practicing before your former agency, but that only applies to grades GS-17 and above. Another rule prevents attorneys at all levels from switching sides in any given case—but it doesn't prevent them from starting a case of their own based on arguments that just happen to be in line with the commissioners' latest thinking. Anyway, the rule only bans attorneys from representing *others* before their former agencies, while Wade, Watson, and Cooper are representing themselves. . . .

•

Most people think of the Freedom of Information Act as a way for reporters and citizens to find out what secrets the government has stored up on them. But some who use the act have other motives. We recently received this warning in a mailing from the Federal Trade Commission: "IMPORTANT NOTICE: Government mailing lists are subject to Freedom of Information Act requests and you may therefore receive unsolicited mailings." What this means is that all sorts of fundraisers and hucksters are using the law to get for free a valuable asset—mailing lists—that they would normally pay good money for. We don't mind the government giving out our address, but why shouldn't the government *sell* its lists, as virtually every other organization in America does? The answer is that other organizations are continually looking for ways to recover some of their costs, while the typical government agency feels no such urgency. . . .

•

If I were an Israeli, I would be settling the West Bank and sabotaging any possibility of genuine autonomy for it. If I were an Arab, I would demand a Palestinian state as the minimal righting of past wrongs to my people. But I am neither. As an American and a citizen of the world, I have to urge restraint on both sides in order to prevent a war that could harm them and involve us.

Many other Americans feel exactly as I do, and I think all of us are weary of being called anti-Israel and anti-Arab just because we want peace. The worst recent example of this sort of thing was the Jewish reaction to the American vote on the U.N. resolution in March. (See Thomas N. Bethell's article beginning on page 32.) Whatever the defects of the resolution, our support of it was aimed not at hurting the Israelis or helping the Arabs, but at encouraging peace.

—*Charles Peters*

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AMERICAN PERSPECTIVES ON ASIA AND THE PACIFIC ONE DOLLAR AUGUST 1979

On Time

Hong Kong Metro

Paul J. Goldsack

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THE ART OF FURTHER STUDY

Life in the consulting cult

by Gregg Easterbrook

"We are troubled by reports of the developing of weaponry," he said melodiously, "exceeding in quality and size the tools of destruction and war known before." It is October 1979, and the delegates to the United Nations listen closely to this counsel. His Holiness, John Paul II, is reporting to them on the state of the world.

"The continuing preparation for war demonstrates," the Pope continued, his every tone resonating with sober primacy, "by the production of ever-more numerous, powerful, and sophisticated weapons in various countries, that there is a desire to be ready for war."

Shifting topics, the Pope declared that "it is my fervent hope that a solution to the crisis in the Middle East may draw nearer." Shifting again, he advised that "disturbing factors are frequently present in the frightful disparities between excessively rich groups and individuals, and the majority who make up the poor." He paused to scan the expectant assembly. "Everything will depend on whether differences and contrasts in the sphere of the possession of goods will be symmetrically reduced," he explained patiently, "through truly effective means."

The ambassadors nod attentively. Yet something is dreadfully wrong here. The grand pronouncements somehow ring hollow. Is it that the Pope drones on for more than an hour, leaving his audience numb at the extremities? Jesus would have spoken for five minutes, tops, and left the dignitaries in a cold sweat for their souls. But that's not it. It's something in the words themselves, and it sounds familiar. . . .

The Middle East needs a "solution," the gap between rich and poor is "excessive." . . . A great crescendo precedes points that are crashingly obvious. "We are troubled by reports of developing weaponry." Reports? Did he just hear about the V-2? Even this universally acknowledged fact is couched in legalistic equivocation. "The continuing preparation for war demonstrates. . . a desire to be ready for war." The

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gothic sentences, stripped of their flying-buttress clauses, crumble into a rubble of gibberish.

And to each crisis, the Pope offers the world's leaders not the slightest hint of what they should *do* about their problems. There's just the wispy reference to using "truly effective means."

What means? What mysterious means will be truly effective? Why doesn't he explain what they are? Saints defend us! He's saying the issue needs further study! *The Pope is talking like a consultant!*

Joining the Cult

Swirling circularities... "solutions" so vague as not to offend the comatose... calls for further study... this is consulting talk, all right. It's sweeping the world, all the way up to the throne of St. Peter.

Just as clerics schooled in mystic orders surround the Pope, consultants abound in their own Vatican City—Washington D.C. They scurry about at all levels of government, jabbering in arcane dialects, mumbling half-heard benedictions. Their hollow language is fast becoming the city's only means of communication. Hodding Carter, for example, has mastered it entirely. Can't anybody give a straight—much less infallible—answer anymore?

Most people are dimly aware that consultants, who keep their numbers obscure and their purpose uncertain in the manner of a cult, are increasing in importance. Consulting companies ring the capital—drawing at least $2 billion in federal paychecks per year into prosperous, ambiguously named organizations like BDM, ICF, Peat-Marwick, Battelle, and Cresap.

Most are dimly aware as well that consultants have been getting into trouble recently. A few months ago, PRC Corp., a $280-million-a-year consulting firm, admitted to billing the Corps of Engineers for studies it had already done under a NASA contract. The Mariscal Corp. was caught billing $29,000 for work it never even pretended to do. Then, in March, the front pages of Washington newspapers were covered with stories about a General Accounting Office study that found a pattern of "pervasive abuses" throughout the consulting industry. There were heated congressional hearings and expressions of outrage.

Many of the volleys of angst, it turned out, were being launched by the defenders of civil servants, who know that consultants are being hired to do work that would otherwise be performed by regular government employees. (It was Virginia Rep. Herb Harris II, whose district is a Washington bedroom community where civil servants do most of the snoring, who requested the GAO report.) They complained about consultant accountability and raised convoluted constitutional questions about the legalities of farming out government work; they made accurate attacks on the waste and favoritism in the field; but they never got down to the real scandal. The way the Pope and Hodding Carter talk gives you more of a clue, one that requires a bit of history to understand. It's the issue that's really deserving of further study.

Have Stopwatch, Will Travel

Though today's consultant dispenses numbing generalities, and would rather be bitten by a snake than give a definite answer about anything, he is descended from a profession once known for its specificity.

The word "consultant" traces at least as far back as the English consulting physician, a specialist called in to give the family doctor detailed assistance on difficult cases. His purpose was to provide instructions on exactly how to treat the patient, not to give lectures on the general principles of medicine.

In America, "consultant" was first used to describe the management experts who prowled around factories, stopwatches raised, performing the famous "time and motion" studies. The consultant's assignment was only temporary—to give brutally frank advice to the businessman with a sick company on his hands. The cold objectivity of the consultant's stopwatch and transitory status were his greatest assets.

It was in this guise that consultants first came to Washington. During World War II, government had an uncharacteristically profound interest in efficiency. Officials like Frank Knox, then secretary of the Navy, called in consultants like Edwin Booz, a prominent private-industry adviser. Knox told Booz to streamline the Navy's logistics and management. He suc-

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ceeded in part by using another technique emphasized during the war—contracting out. Before the war, for instance, when the Navy wanted a new battle cruiser, armor plate and cannons were forged at a naval ordnance plant, while the hull was fabricated and assembled at a naval shipyard. Wartime emergency production quickly outstripped the capacity of naval facilities, so the Navy, like other government agencies, contracted its work out to private plants and shipyards. While consultants like Booz—himself a contract employee—refined these contracting procedures, they also established a beachhead for consultants that was later used in staging all-out invasions.

Government officials exposed to contracting out quickly discovered it had virtues unrelated to military might. By doing projects under contract, officials could commit funds without the fiscal-year limitations that usually bound their hands, and hire talented people (or cousins) regardless of their standing under the civil service rules. In fact, they discovered they could expand the government without ever changing its official "size," which is reckoned as the number of civil servants. This was particularly important under Eisenhower, Nixon, Ford, and now Carter, when presidents desiring to maintain the fiction that government is not growing imposed strict civil-service hiring limits. Today, almost eight million people work for Washington by working for companies under contract to government; meanwhile the official "size" of the government, 2.5 million civil servants, has scarcely changed in 20 years.

Consultants, of course, were merely a small species within the contracting genus: contractors whose business was giving advice to strangers. Most of the contractors, then as now, supplied material goods like fighter planes and patriotic bunting. But the demand for consultants began to languish after the war, as government reverted to its natural state of indifference to efficiency. The consultants didn't want to leave Washington, so they began to transform themselves from production efficiency experts to employment agencies, willing to supply bodies to government branches bumping up against their civil-service hiring ceilings. They were greatly aided in this effort by the invention of the computer.

GREAT MOMENTS IN CONSULTING HISTORY

I'LL HAVE A 47.63 TMU EGG, PLEASE

The Department of Agriculture paid $46,000 for a study of how long it takes to cook "popular breakfast-menu items." Attempting to enrich the lively scientific debate over the griddle properties of French toast, the consultants stated their results in "TMUs"—"time measurement units." TMUs were derived by dividing into a somewhat more common time measurement unit—the minute—or multiplying by that obscure theoretical construct, the second.

Ain't Just Whistlin' FORTRAN

Before the computer, a government manager could wander through the file room of his agency without fear. Things might be in disarray—liverwurst sandwiches and urgent cables filed together under "Inactive"—but if he looked at any given thing in any given drawer, he knew what it was. With the advent of computers, this ceased to be so. Computers were mystery boxes that spewed out numbers and factors without any hint of origin, sniffing rabbits pulled from an empty hat. They used languages like FORTRAN, which not even those who could speak could speak.

It was obvious that government managers could not possibly understand this complex new development; it seemed only natural to reach out to consultants, with their resumes and degrees, for assistance.

The same technology tide that swept in computers was complicating other fields, like defense. In the 1950s, civil service classifications could not offer the kind of salaries needed to attract quality scientists. So government-funded, contractor-operated, quasi-independent think tanks like RAND, Mitre, and Oak Ridge National Laboratory were created. These tanks were staffed by scientists doing "hard" research such as aircraft design (although many later added advice-giving consultant branches). It was desirable to be associated

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with the prestige of such ventures, which led to what former McKinsey Co. consultant and Department of Energy assistant secretary George McIsaac calls "the explosion of false research." The advice-giving consultants liked to do "studies" which were little more than digests of technical literature, framed in unassailable generalities—similar in form and content to a college term paper. Sprucing them up with false research elevated their prestige; it also made laymen much more timid about challenging dubious work.

Ed Hearle, a senior vice president of Booz-Allen & Hamilton—the $100-million-a-year consulting firm, with seven Washington offices, founded by Edwin Booz, explains: "Everybody tries to claim his study is really 'research' and full of 'new information.' Government is fascinated with getting 'new information.' But it's usually just old numbers that have been massaged beyond recognition, or new numbers so trivial no one ever cared to get them before." Like the number of disadvantaged children who bring bagged lunches to school when it's snowing—"new information." As long as you don't look too closely, the charts and sine curves seem to be the essence of scholarly sobriety.

Management by Subjective

The urge to conduct government business in some kind of techno-babble, building since the war, found a champion in Defense Secretary Robert McNamara, patron saint of the consulting cult. McNamara and his Pentagon Whiz Kids convinced the world that you needed three post-graduate degrees to determine whether an artillery shell had exploded. He persuaded Lyndon Johnson that something called Planning-Programming-Budgeting Systems would make Washington a lean machine of cheetah-like efficiency.

Now, civil servants in agency budget offices had no more idea what PPBS was than how to whistle in FORTRAN. No amount of explanation of PPBS could express how it (or any of its successors, from "management by objective" under Nixon, to "zero-based-budgeting" under Carter), in any way differed from the existing budget process, which consisted of sitting around a conference table asking "How much money will we need next year?" But Johnson told the Office of Management and Budget to insist that everything be done in PPBS jargon.

Since few people at OMB could grasp any more than the superficials of PPBS, and OMB lacked the manpower to penetrate an agency's inner mysteries and seriously challenge its budget, the agency bureaucrats quickly realized PPBS was really no threat at all. All they needed was to lower in someone to mumble the PPBS gibberish, satisfy the pretenses, and keep the system moving. It didn't matter if the mumbler had just heard the latest set of buzz-words last night, and was winging it with garbled allusions to econometric modeling. As long as he was cloaked in the mystique of the consulting cult—advanced degrees in esoteric disciplines, a senior position with an ambiguously named but clearly successful firm—OMB's formalities were satisfied.

You had to stop and wonder—would these well-educated and sophisticated consultants, whose great assets were exacting skill and objectivity, stoop to doing your mumbling for you? Would they just do whatever you wanted? The answer was the kind of spirited affirmation a rich crook gets when he asks Edward Bennett Williams if every man has the right to an attorney. But unlike Williams, Washington consultants do not have a wide range of clients. If you are a Washington consultant, you work for the government and you

GREAT MOMENTS IN CONSULTING HISTORY

FOX CONDUCTS PROGRAM ANALYSIS, FINDS HENHOUSE SECURITY ADEQUATE

In 1974, Bechtel Corp. made an unsolicited proposal to ERDA (now DOE) to study how best to move coal from Wyoming to Arkansas. Bechtel got a sole-source, $418,000 award to decide whether trains or a slurry pipeline was cheaper.

Bechtel focused its study on a slurry pipeline idea advocated by Energy Transportation Systems, Inc., and concluded that slurries were preferable to trains. Bechtel somehow neglected to mention that it owns 40 percent of Energy Transportation Systems.

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do what you have to do to keep your client happy. You tell it what it pays to hear. So the objective experts, when asked to objectively and independently come to a predetermined conclusion, began to say, "I have the most extraordinary coincidence to report. . . ."

Here Cons the Sun

After Carter took office, for instance, the Department of Energy commissioned some studies of solar power. Energy and Environmental Analysis, a hungry young consulting firm of ex-Whiz Kids, and old stand-by Mitre were hired to devise computer models. The White House planned to announce a sunny outlook for the politically harmless "solar option."

EEA made the pessimistic prediction that solar collectors worked but were too expensive to be practical. Word filtered back that the White House was not amused. Could either consultant predict, the White House asked, that solar would someday supply 20 percent of the country's electricity? Yes, Mitre said, our model—called SPURR—could predict that. So Mitre's model was endorsed. The administration made a glistening Sun Day announcement. SPURR became an institu-

How To Make the Coming Bad Times Good Times for You

Want to be your own boss? Do prestigious studies on vital issues? Yearning to calculate how long it would take a welfare mother and three Navajo tribal historians to fill a Holiday Inn with golf balls? Then government consulting is the job for you. Here are a few simple rules on how to set up your own shop:

- **Get a Letterhead.** Without a letterhead, you cannot write to explain why your study will cost five times what you bid, and will be three years late. An office, however, is not mandatory. You can work out of your basement, out of the office of the agency you are serving, or, if you plan your contracts carefully, not at all.

- **Incorporate.** You're worth $190 a day, but your name followed by the words "Associates, Inc." can be worth $500 a day plus overhead. The government treats individual consultants as "direct hire" workers, and the most they can make is the top GS-15 salary, currently $190 a day. But there's no such limit on fees to consulting *companies*.

  Also, it's hard for you as an individual to have overhead. But it's no problem for your company. The government won't ask your company to prove it actually has offices, copying machines, typewriters, light bills, or any other costs. You just need incorporation papers, and presto—you've got overhead. Who said corporate life was dehumanizing?

- **Sell Your First Contract at a Loss.** Bid, say, $9,800 for three years' work. The first contract is the loss leader. Contracts just under $10,000 are the easiest to get, because sums under $10,000 can be authorized by middle-level civil servants using purchase orders. Then, *after* you've signed and are established, renegotiate or extend the contract for whatever sum amuses your accountant. You will be amazed how many $9,800 increments of wisdom you will have to offer.

- **Become a Specialist.** The more highly specialized your work—there are, after all, many subtle nuances to the use of aerial photogrammetry in assessing the impact of educational funding formulas—the more easily you can carve out a niche of being "the one to go to." Also, the less likely anyone is to try to figure out what you are talking about.

- **Forget About Your Final Report.** No one in the agency will read what you write. Everyone, however, will come to your

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tional feature of DOE thinking, and has been regularly funded by the government since.

Disgruntled academics called a conference at DOE's Solar Energy Research Institute in Golden, Colorado, to debate SPURR. Mitre sent its representatives and an impressive slide show to explain SPURR; it failed to send the model itself. Later, an EEA computer jock—disappointed at the loss of a contract—sat down for a workout with the SPURR math. He found that even starting with extremely unfavorable assumptions—such as solar power costing ten times more than any other kind to produce—SPURR would reach the 20-percent prediction.

Government's delight at such wonders achieved so simply led to explosive growth in the consulting industry. The 4,000 Washington residents who described themselves as "consultant" in the 1960 census had risen to 23,000 by the time of the 1973 special census. The number should double or more in this year's census, unless the consultants list themselves as "contractors." Consultants have lately taken to calling themselves contractors because they don't like to be called consultants. "Contractor" implies they produce something concrete. "Around here we never say 'consultant,' " said a

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client briefings, because it means a morning off from work. This is where to concentrate your efforts. Invest heavily in audio-visuals, handsome color handouts, and fresh coffee and donuts. Always do a lights-out slide presentation so your project manager can catch a few winks.

• **Discover Problems.** If you find a problem no one else knows about, you are the natural one to study it. The key here is to write your own "task order"—or wire the contract from the inside by hiring yourself. Don't be bashful. Point out how long the government has neglected the socioeconomic burdens heaped on the Aleutian pharmaceutical industry. If someone protests that there is no Aleutian pharmaceutical industry, tell him this is proof of strangling regulatory policy.

• **Save Your Dumbest Ideas for the Last Month of the Fiscal Year.** When agencies are desperate to dump money so they don't lose it on the next budget, Aleutian pharmaceutical reform will suddenly seem like the political vanguard.

• **Miss All Deadlines.** This is particularly important when doing "quick reaction" work. If you hit your deadline it becomes somewhat harder to justify asking for a contract extension—although you should not let this discourage you from doing it anyway.

• **Get 18 Months to Finish.** That way, the political official running the agency will be gone (probably into consulting) by the time your report is filed. His replacement will have no idea what your study is about, why it was commissioned, or what the letters in the agency's acronym stand for. He will probably hire you to do a follow-up study to explain your study.

• **Use Data That Are Several Years Old.** Even if fresher data are available. That way, the instant you file your study you can get a contract to update it.

• **Make Your Reports As Long as Possible.** Even if you have to use biographical material about your cousin Rollo's adolescent nasal problems. The longer the report, the less likely it is to be read.

• **Never, Ever, Ever, Offer Any Conclusions.** Conclusions place your sponsoring agency in the awkward position of being expected to take some action. You will wear out your welcome quickly this way. Conclusions imply that there is no need for additional study, which implies you right out of a job. Also, there is the remote chance someone will someday review your conclusions to see if there was any correlation between them and reality.

• **And Remember: Every Report Is A Proposal.** Leave some unexplained aspect in your report. Make vague but scintillating allusions to the "real problem." Imply that the information needed to solve the problem is not quite available, but might be soon. Advocate new legislation, more regulations, a presidential commission—anything that could complicate the subject. Whatever else you do, at all times, under all conditions, recommend further study.

—*G.E.*

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partner in Coopers & Lybrand, at $750 million a year in billings one of the largest consulting firms. "It has a distasteful connotation."

Because of such fastidiousness, nobody knows just how many consultants work for the government, or just what they cost. A standing joke on Capitol Hill is the inability of any government branch to answer this seemingly rudimentary question. OMB is the most recent flop. When Carter took office, he sent OMB a handwritten order that it produce an accounting of consultants. OMB first said there were 2,000; then said it *really* meant 6,000; then said 34,000; and now says 19,000. It compiled no information on the Department of Defense—which, with an estimated 50,000 consultants costing $250 million yearly, is the cult's largest sponsor—and shows the Department of Housing and Urban Development as having "zero," when it is known to have hundreds. This is the kind of sequence they make into a ride at Disneyland.

The Paper Weight Principle

The discovery that consultants would tell government whatever it paid to hear was one of the great visionary moments in modern Washington history. But progress didn't stop there. Telling you what you pay to hear has since been refined into the more sophisticated Paper Weight Principle. Two other great discoveries have been made. One is the realization that hiring consultants *in and of itself* can delay actual work indefinitely. The other is that there really is a free lunch.

"You have to understand our predicament," says Sam Powel, a contract manager for the National Highway Traffic Safety Administration. "You're only a GS-14. The chairman of General Motors can call up Carter and say, 'Get these SOB regulators off my back.' The President then demands an explanation for your actions. It helps to have a pile of studies to refer to."

Consultant Ned Jaros of Cary & Jaros calls this "weighable paper." Good weighable paper is heavy (as in, "I know it was a good report, it was big and thick," which one HEW official said of a study), tells you what you want to hear, and is so densely written that no one can ever claim otherwise. Using clear language is such a serious violation of the Paper Weight Principle it is not inconceivable that Washington may someday adopt a court language, like Latin.

Two years ago, for example, NHTSA ordered Harbridge House, a consulting firm, to study how auto companies react to regulation. When Harbridge's report came out, NHTSA administrator Joan Claybrook was so furious she disowned it publicly.

Yet NHTSA officials said in private that they agreed with the study's conclusion. What was the problem, then? "They just came right out and said it," explains a Claybrook deputy, "it" being that Chrysler was about to go belly-up.

"When word of the report's language got out, I got calls from every congressman on the Hill, wondering what the hell right we had to say that Chrysler was going bankrupt," Powel explained. As it happened, Harbridge's predictions—for instance, that Chrysler would fall $1.25-billion short of capital last summer—turned out to be quite precise. But putting the conclusions in plain English ruined their Paper Weight Principle value to NHTSA, especially since the crystalline projections made it that much easier for NHTSA critics to claim the agency itself was adding to Chrysler's woes.

As it happened, NHTSA had simultaneously commissioned another consultant, The Futures Group, to study the same question. It came to almost exactly the same conclusions about Chrysler as did Harbridge. But this consultant's work, mostly graphs and integrals with little narrative, is so dense the reader needs a slide rule and protractor to plow through it. There was no controversy over The Futures Group's report. It got tossed onto the weighable stack NHTSA officials wave at when they lobby the Congress, as intended.

DeLae, Evayde, & Stallum

The next great discovery perhaps surpasses the Paper Weight Principle in significance. Chasing consultants around is a great way to kick up a lot of dust and create the appearance of terrific action.

"It's vital for a government official to always have a study in progress," says John Gilligan, former director of the Agency for

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International Development, one of the top consultant users with about $100 million spent for advice last year. "Say his boss calls up and wants to know why in blazes nothing is happening. He explains that he just commissioned a major study. It's not prudent, he says, to act before the results are in. Now who could be opposed to finishing a study? Everybody wants the most possible information. It's the perfect excuse."

This excuse is elevated to the sublime when the study lasts longer than the boss who demanded it. Since most outraged calls for action come from the agency's assistant secretaries, and assistant secretaries turn over every 18 months or so, all the mid-level bureaucrat whose peace of mind is threatened has to do is plot a study that can't possibly be finished within the tenure of its sponsor. Then, when it comes out, everybody has forgotten whatever crisis sparked it. They're busy with the crisis threatening the Western world *this* week.

"The official who orders a study is seldom the one who gets the results," says Booz-Allen's Hearle. "The guy who gets the results is new. He's never heard of the study. Priorities have changed, and maybe he's trying to cut a bold swath by downgrading everything done by his predecessor." So he just tosses the study on a shelf, and orders a new set of reports *he* will never see the results of.

EPA, for instance, ordered a $150,000 study of the possible effects of a controversial set of proposed regulations. The study was supposed to enlighten the public about the regulations before they became final, according to GAO's Jerome Stolarow. But the contractor delayed the *start* of his work until after the public comment period had closed. The report was not delivered until the regulations were already in effect.

When Jesse Jackson's Operation PUSH-Excel was awarded unsolicited HEW funds on personal orders from Joe Califano in 1978 (see "I Am Somebody... But Who?" in *The Washington Monthly,* February), there was controversy over the merit of Jackson's program. To protect themselves from possible criticism HEW officials commissioned a $750,000 study—one study dollar for every four project dollars in HEW's $3-million grant. The study is being conducted by the National Institute for Education, a quasi-independent agency staffed, by law, primarily with consultants. NIE's first announcement? That it could reach no conclusions until 1982, long after the funds were inalterably committed. NIE's second announcement? "We don't plan to conclude anything terribly specific in 1982 because of the program's abstract nature," the contract officer said.

Consider the smooth, globe-like perfection of this device. The boss gets to scream for action. The civil servant gets to promise it. The boss gets to tell Congress the cavalry is coming. Congressmen get to nod gravely. The boss gets to change jobs and forget the whole issue. The civil servant gets to go home early. The appearance of furious action, no loss of face, and none of that unpleasant business of actually doing anything.

The first GS-14 who realized this relationship must have heard a choir of heavenly voices bursting forth into his ears. He doubtless felt strangely giddy, as if elevated on a billowy cloud, while envisioning himself being carried, saint-like, to that final place of rest where virtuous civil servants go—a corner office.

GREAT MOMENTS IN CONSULTING HISTORY

BUT AMTRAK WOULD RUN ON TIME

The Department of Transportation asked Stanford Research Institute for a "forecast of transportation needs in the year 2025" if there were widespread "guerrilla warfare, major climatic changes, or the establishment of a dictatorship." After $225,000 worth of thinking, SRI concluded that "cities would need more transit police" and warned that "insurance rates would rise."

A Quiet Lunch

For government officials, one attraction of the consulting cult transcends politics or wartime crisis, even race or origin. It is that, while there is no such thing as a free lunch, you can get someone else to pay. Consultants can pick up the tab.

Government officials, for all their power to spend or waste millions, simply do not

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have expense accounts. To get compensation for even reasonable travel or food expenses, which a conservative company would pay without flinching, they must submit to examinations that make the Nuremberg Trials seem like an awards banquet.

Consultants, however, are under no such strictures. They can treat their sponsoring contract officer to a pleasant lunch and pick up the tab; nothing improper here, not by any standard. Carl Black, a retired Marine colonel and defense consultant, explained that this is a straightforward business proposition. "To prepare a really first-rate proposal for a contract might cost $50,000," Black said. "For $50,000 you can buy a lot of lunches."

Consultants are also free to arrange for more important expense-account diversions, like that week-long "conference" at the Broadmoor Hotel. Money for the lunches and conferences comes out of the fees paid to consulting companies. This is one of the reasons government officials do not feel inspired to hold consulting fees down. Buying lunch or a hotel room is a legitimate business expense, and is deducted from the consulting firm's taxes. Nowhere does it appear on the exhaustive government expense-account records combed over with righteous fury by public interest groups. This is the dry-cleaning establishment of money laundering.

Won't Go Home Again

Think you could make interesting conversation about program analysis over cognac and coffee? Figure you could wrap a dynamite Lake Tahoe conference around Our Priorities for the Eighties? Then government consulting may be the job for you. Here's how your competition sizes up:

During the early days of the cult, consultants generally were drawn from industry or academics. But during the 1960s, increasing numbers of consultants came from the government itself.

Traditionally, political appointees finishing a tour of government work go back home. In the Eisenhower administration, most appointees were happy to take the prestige of government work back with them into private industry jobs where the real money was. But, in general, the more idealistic appointees of the Kennedy and Johnson years didn't want to leave. There came times when their careers were on the rocks, either because they had exhausted the possibilities for promotion, or because Nixon was giving them the boot. But to leave Washington was seen as an admission of defeat. Worse, to work for industry was to shift from Samaritan to mugger. Industry was tainted, a robber of the poor. Idealists prefer to rob the rich and consulting jobs were the perfect way to hang around Washington and do just that.

McNamara proteges Donald Ogilvie, who later became a dean of Yale's management school, and Bruce Caputo, who later was a Republican congressman, formed a consulting company called Inner City Fund. "We didn't want any nuts and bolts report writing," Caputo recalls. "We wanted to advise in high-level policy-making, a level few consultants reach, and we were willing to work cheap to do that."

Inner City Fund got its wish. It became the primary source of advice on how to set up minority-run city businesses. Unfortunately, its advice was worth the price. Almost all of its projects failed. But luckily the energy crisis happened along. Inner City Fund suddenly remembered that what it *really* cared about all along was energy. It changed its name to the appropriately ambiguous ICF Inc., and now is one of DOE's leading "wizard" firms, earning most of its income from specialized computer work.

John Clement, a NASA analyst who helped found an environmental consulting firm in the late 1960s, was a similar case. "Anybody could see that the environment would be the next big issue," he said. "There was no one to go to for the answers. Whoever could set up shop first would get the action."

For mid-management government officials, the jump to consulting was not without risks; after all, they would have to give up lifetime security in exchange for hustling work. But for anyone from the level of assistant secretary up, the change would be a blessing. Mid-management officials have only to cope with the bitching nonsense of bureaucracy. High-level officials, on the other hand, are marinated in a caustic, back-stabbing atmosphere that can be as rough as anything Madison Avenue offers. Fleeing to a consulting firm

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GREAT MOMENTS IN CONSULTING HISTORY

A BARGAIN AT HALF THE PRICE

Starrett City, a federally subsidized housing project in Brooklyn, is adjacent to a sewage treatment plant. Starrett's managers figured they could save energy by using methane from the plant for apartment heat. So they got a $1.2 million DOE grant to study the idea.

Starrett's consortium of four consulting companies recently revealed that the system can be built—for as little as $600,000. A project official said he felt "a little awkward" about the study costing more than the project. On the other hand, he said, "If they actually go ahead and build this system, people will be furious. There will be environmental groups and minority groups and you name it marching in protest. People are opposed to building things. But who could oppose a study?"

that prides itself on a genteel work environment could be a step for health as well as wealth. "It burned me out," says a former assistant secretary of his two-year stint. "But I could keep on consulting forever." Around Washington, consultants are called Beltway Bandits, because many of them have offices along I-495, a circumferential highway far from the downtown clatter. Their cubic office buildings, plated with reflective glass and moist from atrium lobbies, dot the Beltway exits like so many Howard Johnsons.

Nowadays, those leaving government are drawn to consulting both for idealistic influence and money. Energy and Environmental Analysis, founded in the early 1970s, was put together by former Pentagon analysts who "realized they could make a lot more money as consultants," says a former EEA consultant. He pegs an EEA partner's earnings at $100,000 annually. (Secretaries of the agencies they serve make $66,000.) Consulting pay isn't usually that high, but it's always good. Equally important, no bright person can fail to notice that, while the industrial empires are fraying at the edges, Washington's center grows ever more dense. Every point of inflation sends proportionately more tax money to Washington; every economic tremor underneath the bleak streets of Akron and Buffalo jostles Congress into creating more commissions, more agencies, more studies. Now security, money, and the image of purity are all available at the same stop on the Beltway.

"Fifteen years ago," says Richard Irish, a consultant who specializes in headhunting for other consultants, "people were telling me, 'I'd love to go work for the Bureau of Indian Affairs, but I can't afford to turn down IBM.' Now they say, 'There's real challenge at IBM, but who can turn down the money at the Bureau of Indian Affairs?' "

The 10K Form

If you're not intimidated by the competition, and would like one of the contracts from the Bureau of Indian Affairs, here's your first step: have a $9,999 idea. Consultants looking for work frequently find that thoughts come in precisely such increments. One of life's mysterious constants, like the speed of light? No, more earthly. Consulting expenses under $10,000 can be paid with government purchase orders. These involve almost no review and can often be authorized by a single civil servant.

It's common for consultants, who solicit work by writing proposals for studies, to practically hire themselves by proposing a purchase-order contract to a friendly contract officer. "You get to recognize the language of the proposals," says a DOE contract officer, "because it goes right into the contract description."

Under-$10,000 contracts are useful to put a foot in the door, or tide you over, or to build a resume. A high-GS-level manager looking to jump to consulting might call three or four similarly situated friends in government—or corner them at a dinner party—and explain his plans. The morning after the conversation each can write out a purchase order for $9,800 worth of objective analysis. It's effortless. The fledgling consultant, meanwhile, has enough work to tide him over till he lands a big job. And if all the friends come through, in a single

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GREAT MOMENTS IN CONSULTING HISTORY

HEY, THERE'S AN ENERGY CRISIS ON HERE!

One consultant made $32,320 from the Department of Energy in four months—at one point billing $320 a day for *61 consecutive days.* DOE's Inspector General's Office says it cannot reveal his name because of privacy rules in the Freedom of Information Act. Revealing his name, DOE says, would "damage his competitive position."

morning he can acquire a high-caliber resume: "Experience as a consultant to HEW, EPA, Marine Mammal Commission, and Bureau of Indian Affairs."

Once you break the $10,000 barrier, you'll find the cushy contracts awarded either by competitive bidding or as "sole source." With bidding, a formal announcement is made in the *Commerce Business Daily.* Proposals are accepted, and evaluators pour over them, awarding points based on recondite rating systems.

Government officials hate competitive bidding. It's time-consuming and taxing, and not always reliable—the wrong firm might get the job. The fun of having consultants lies in announcing their vital work and then misplacing results, not in struggling with legal details. Federal regulations designed to provide "fair" evaluations demand scrupulous examination of even spurious bids. So generally only the big contracts—for which some scrutiny is inevitable—are let by competitive bid. Others are let on a "sole-source" basis—in which the desired firm is found to be uniquely qualified, all competition is waived, and money can be awarded without even so much as an announcement that a contract has been signed. This technique is popular because of its obvious streamlined features.

Its equally obvious potential for favoritism prompts loud calls for liberal reforms, like competitive bidding of *all* contracts. Reformers mistakenly assume that the fee accepted by the lower bidder bears some correlation to what he is actually paid. It never does. It merely determines who gets the work.

"What you get on the low-bid contract is irrelevant," says a Senate staffer. "It's getting your foot in the door that counts." Oddly enough, the day after most consulting companies sign their competitive-bid contracts, they discover that the task is far more complex and challenging than they realized the day before. So they start negotiating for more money. DOE's Inspector General recently analyzed 17 contracts let by the agency's Office of Solar Applications. Their total value, when bid, was $9.8 million. In a single year, the contracts had been "modified" a total of 45 times. Their cost rose to $18.7 million. They don't call them awards for nothing.

Winning the first contract gives you access to the ones that follow, like trading up houses. Recently the Navy took bids on a $1-million contract to design its Senior Executive Service. It pre-qualified five prominent firms, among them Coopers & Lybrand, Booz-Allen, and Cresap McCormick & Piaget. All are firms of considerable size and resources, yet the Navy sweetened their bitter task of asking for money by giving them each $75,000 grants to prepare their bids. Coopers won. It later won a related contract—justified by its possession of the first contract—to expand the system. The second contract is for $9 million.

Filet of Sole

Competitive bidding has its attractions, but it's much more congenial to do business under sole-source exemptions. All that's necessary is for the agency to recognize in a consultant some unique combination of skills and experience. Since everyone is in some respect "unique," the potential is unlimited.

"It's easier for a bureaucrat to hire a sole-source consultant than to buy a box of pencils," explains Jerry Sturges, a former Senate investigator. "No one would ever believe there was only a 'sole source' of pencils. Pencils have physical properties that can be compared. People cannot be compared."

Inventing sole-source qualifications is a native American art form, like comic books. People who took college political science courses can be described as "intimately acquainted with recent geopolitical trends." People who know how to work a

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GREAT MOMENTS IN CONSULTING HISTORY

WHY RE-INVENT THE WHEELER DEALER?

The Department of Energy paid Mittelhouser Corp. $9,800 to compile a list of the federal permits needed to open a coal-fired power plant. The sole-source justification papers for the contract did not explain why DOE does not know what permits it itself requires. DOE did, however, explain why Mittelhouser got the job: "They already have the list."

pocket calculator become "experienced program analysts." H. Richard Chew, a Virginia attorney, got a sole-source DOE contract to write a handbook on solar law. His contract justification explained that he and only he could do the work because Chew had "experience unlikely to be found elsewhere." Chew's experience, it turns out, is in habeas corpus law. "I didn't know anything about solar law when they called me up," Chew acknowledges, "but they heard I was a bright guy."

Mike Tashjian, a special assistant in the DOE secretary's office, defends the laissez-faire granting of sole-source exemptions. "Our dynamic environment demands shortcuts," he says.

Once you have sufficient contracts, your next challenge is to master billing techniques. Individuals on "direct hire" to an agency can bill a maximum of $190 a day for their time. Consulting *companies*, however, routinely bill their employees at $300 to $500 a day, *plus overhead*. This is because the payment to a company is a fee, not a salary, and fees can be as unique as people. Chew, for instance, decided to bill his time out at $500 a day. "It was a compromise," he explains, "because I charge my legal clients more." Above the salaries and overhead they bill, companies usually receive "professional fees," loosely thought of as the profit. New York State has perhaps the most engaging notion. It will pay consultants an eight-percent "profit" on their salaries. Gotten a profit on *your* salary lately?

The cult has an explanation for these high fees. A consultant is like a private eye, they say—he's not always working. And he's got pension and health care costs he must pay himself, costs that don't show up in the calculation of a civil servant's pay. And what the consultant makes on any given job must cover all these expenses while he's not working. True enough, of course. But how much time does this private-eye type consultant actually lose drumming up work? Booz-Allen's Hearle says about 15 to 20 percent of the consultant's time is "non-billable." If Rockford worked that high a percentage of his week, he'd own the whole trailer park by now.

And then there's that old free enterprise spirit. After explaining how their high salaries have to cover fringe benefits and overhead, consultants go right ahead and bill for those items anyway. Universities are particularly adept at this. Consulting overhead used to be one of the great hidden subsidies to higher education. Schools would sell a small percentage of a professor's time to several different agencies, but sell *all* of his overhead again and again. (This subsidy is diminishing in importance only because professors, after further study, began opening their own consulting shops.) The Office of Personnel Management recently complained to Case Western Reserve University that, as part of a $126,000 contract to provide five years of part-time study of the merit-pay system, the school was charging too much for overhead. Case Western was moved to compromise. It dropped its overhead bill from 62 percent of salaries to 59 percent, and its fringe benefit bill from 21 percent to 19 percent.

Right Over Their Heads

Nearly all the creative potential of consultant billing is expressed in a virtuoso contract written by Pacific Consultants, Inc., of Washington, covering work done for AID by a single consultant, Frank Ballance, and his secretary.

First signed on December 12, 1978, it specified $59,928 for five months' work. There were no exceptional expenses, just Ballance, his secretary, and overhead. The contract was a sole-source award based on Ballance's "key personnel" qualifications. His credentials were beyond dispute; one informed observer called him "clearly the recognized authority in his field."

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The contract was modified once, then modified again, and finally expired on October 12, 1979. By that time modifications had pushed its value to $111,136. That's roughly $11,000 a month, or $550 a day for a man and a secretary. Its second modification—an extension covering the two weeks from September 30 to October 12—was for $16,000. That's *$1,600 a day.*

The combined contracts totaled $52,836 in salaries and fringe benefits for the consultant and his secretary. There was a total of $7,270 in "professional fees" paid to Pacific itself. There was $39,627 listed as "overhead," $2,535 as "other costs," and $8,860 charged to "general and administrative." The contract contained, of course, the standard boilerplate provision barring the consultant from working on government property during his contract—which is the reason overhead is paid.

The $39,627 for overhead is 75 percent of $52,836 in salaries and fringes. But below that, Pacific tacked on other costs that would normally be ascribed to overhead. What are "general and administrative" expenses if not overhead? Totaling the claimed overhead, "general and administrative," and "other," expenses, Pacific received $51,022 for what would properly be called overhead. At that rate—*$255 a day*—Pacific could have put its consultant up in the luxury suite of the Capitol Hill Hyatt Regency. Since that suite costs $200 a day, there would have been spare change left over for essentials like Chateaubriand sandwiches. But the Hyatt's commanding view of the historic Capitol dome would have gone to waste. It seems the entire time the government was paying Pacific $255 a day for "overhead," Ballance was sitting at a desk in the Executive Office Building—where, with some regular AID planners, he worked for the entire span of the contract.

GREAT MOMENTS IN CONSULTING HISTORY

AT LEAST THEY GOT THEIR ANSWER

HEW gave Rockwell a $378,147 grant to study where HEW's money for consultants was going. After cost overruns pushed the Rockwell contract cost to $2.2 million, HEW discovered it already had the information in its own computers.

The Clone of Silence

If you were an idealist making your living in this pure fashion, you might not want to talk about it much. Not to anybody, but especially not to a reporter. Consultants are about as interested in meeting a reporter as they are in having a picnic with Godzilla.

Consulting companies are about the only entities in Washington without press offices. "We do not grant interviews to anyone on any subject," a partner of McKinsey & Co. said flatly. Booz-Allen says it will not discuss even *past* studies unless ordered to do so by its client agency. It claims, as do many consulting companies, that it keeps no copies of finished reports; if you want to see the report, Booz-Allen says, get it from the agency. If the agency cannot locate its copies—as often happens with untitled "advisory" reports that are not logged on the agency's docket—that's the agency's problem.

It is a mistake, however, to assume that this forthcoming attitude is reserved for reporters. ICF founder Caputo, who has left Congress to return to consulting, explains: "When I was a congressman, I would have been very surprised if someone on my staff had gotten a straight answer from a consultant."

In an age of hype and glorification, this self-restraining modesty may seem touching. But there's more to it. Consultants claim a privileged client relationship. Like the cultish priests they emulate, they want all client contact to take place in the privacy of the confessional. "The consultant is responsible solely to his client," Caputo says. "What he does is the client's property, to do with as the client chooses."

When consultants do proprietary work for private-industry clients, a privileged status makes sense. When they work for government it does not; government has no secrets beyond military ones. Consultants evade this question by holding themselves accountable only to their agency sponsors—not to the legislature that creates and funds the agencies or the public

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that creates and funds the whole works. This is hardly an environment designed to foster a taut interplay of checks and balances, since the agencies are the ones paying to be told what they want to hear in the first place.

For the consultant himself, claiming privilege is among the most agreeable fringe benefits of the job. It cuts him loose from personal standards, setting him adrift in a calm and peaceful moral void, similar to the "advocacy" void favored by lawyers. Is the work meaningful? That's for the client to decide. Is it fairly priced? That's the client's judgment. Does it benefit anyone besides the consultant himself? Surely only the client could know that. Hired guns are not responsible for the selection of targets.

A Civil Attitude

At least the agencies that consultants work for have press offices, so it's tempting to propose replacing consultants with civil servants. Civil servants claim a right of silence less frequently these days, in the wake of court decisions eroding the "executive privilege" excuse once common in Washington. Civil servants at least are required to pretend to candor.

Arguments about such civil-servant virtues usually season Congressional hearings on consultants, which have a pronounced "We're hiring consultants? My God! What next!" flavor. Critics like Rep. Harris go straight for the cosmic issues, asking, as he recently did, if we're not "abdicating the basic functions of government" by hiring outsiders. Is "government by contract" constitutionally valid? he wonders. Can regulations written by non-civil-servants stand up in court?

Obviously, if we can't trust consultants to do the discoursing on Our Priorities for the Eighties, we have to hire more civil servants. This would be fine with Harris, who is sponsoring a bill to give any agency cutting back on its use of consultants the "incentive reward" of a raised civil-service ceiling.

Trading one for the other probably sounds like a dynamic reform. Civil servants may be more talkative than consultants, but they are even *less* accountable. Civil servants are hired for life. If they are lazy or incompetent, they cannot be fired. When a consulting company is involved in a sleazy contract or produces a report so poor the girls in the typing pool start to giggle, it can, in theory at least, be deprived of further work. Meanwhile the civil servant who authorized the study and supervised the contract gets his automatic "step" raise.

In some respects, consulting was encouraged as a means to contravene the stodgy bureaucracy. To the extent that is true, it is foolish to try to correct the problem's symptoms by reforming the consulting industry. A better approach is to correct the problem's cause by making civil servants accountable, and instilling in them the sense of vigor and determination they lack.

GREAT MOMENTS IN CONSULTING HISTORY

YOU CAN'T JUST GIVE MONEY AWAY... YOU HAVE TO KNOW WHERE TO SEND IT

The Agency for International Development paid a consultant $155,000 to compile a directory of groups that want AID grants.

The Great Pretenders

The trail of meaningless reports and Dom Perignon bottles left by consultants is so poorly covered, no one could fail to notice it. Yet even sincere public officials, fully aware of the problem, continue to demand consulting services. Why aren't the consultants laughed out of town? Is it possible that, after all their flaws, they still perform some useful service?

Consultants came to Washington to tell government officials things they could not pretend to know, about running factories and computers. They succeeded. Officials continue to need to know things they cannot pretend to understand. But many of the present goals make the mechanical, do-able goals like efficient war production seem simple by comparison. Some are so far distant, they confound even the dedicated: "End poverty." Some are so involved no person can describe a formula for achieving them: "End racial hatred."

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Some have such bewildering ramifications, you can't even be sure if you've achieved them already: "Build enough bombs to prevent war."

Government officials are given large sums of money to pursue such intractable goals. Frustrated by the lack of immediate success, they begin to tell themselves: *If I knew what to do, I'd do it.* So they constantly seek out those whose qualifications suggest they might know what to do; or, failing that, will *pretend* they can figure it out. Advice from outsiders—consultants who have never had the chance to fail at what the government official is supposed to accomplish—supplies a continuing sense of optimism, whether real or imagined.

You can't lose. You hire a consultant to try to figure out what you can't figure out. Maybe you get lucky, and he comes up with the answer. Otherwise, he keeps you from sloughing into despondency over your own inaction. *If I knew what to do, I'd do it*—but I don't, so I'm waiting for the study.

You Have to Get In!

Most of the rituals of the consulting cult are being acted out in the basements of three suburban Washington homes. These basements serve as offices for the partners of RAM, Inc., a recently formed environmental consulting firm.

RAM's partners are H. Lanier Hickman, Russell Cummings, and Clay Ervine. Hickman is a former high EPA official; Cummings has been a prominent EPA consultant for several years; Ervine is a former Maryland public works director. RAM is signing contracts with state governments to do planning work under a comprehensive new environmental law, the Resource Conservation and Recovery Act.

RAM is usually paid in federal "rollover" funds—money sent to the states under RCRA, money which must be returned if unspent. "As soon as the feds started funneling out the money," Cummings says, "we knew it would be time to get in. They're giving out $24 million for studies. . . just studies! . . next year in our small field alone. Now talk about money! You have to get in!"

Hickman and Cummings made a natural pair, having worked together in the past. They'd written much of the RCRA regulations they are now explaining to states.

Hickman in particular was ready for a change. "I was sick of the bureaucracy, sitting in meetings and stroking my prima donna underlings," he says. He was also at an impasse. "My career in EPA was finished. I'd been passed over twice for promotion to the top of my division. I was only waiting it out until I got my pension." As an officer of the Public Health Service, he had to register a full 20 years' service to qualify. Two weeks after he hit 20 years, he quit. Hickman, in his late forties, immediately began drawing a $15,000 a year pension.

While at EPA, Hickman was in charge of writing documents that explained RCRA to states, and providing states with "technical assistance." "Everything I did was just like a consulting environment," he explains. "I do the same things now, only I get paid a lot more."

So far RAM has contracts with Virginia, New York, and the District of Columbia. The New York contract, for instance, pays the RAM principals $400 a day to write the state plan and explain the law. So far most of the reports delivered to New York bear a haunting resemblance to EPA documents. One, a 32-page report on provisions of the law, was "prepared for New York State," according to its cover. Yet inside, the words "New York" appear only eight times, and no New York cities, locations, or particular environmental conditions are mentioned. The contents are almost identical to materials available through the EPA publications office. "We live off the stuff EPA gives out," notes Hickman.

The New York state plan was supposed to be finished by the end of RAM's six-month, $38,000 contract. But it isn't; the plan itself hasn't been started yet. A contract extension is in the works. "Sometimes we have to admit to the state that even we"—the people who wrote the regulations—"can't quite figure out what the regulations mean," Cummings said.

Part of Hickman's time goes into being director of the Governmental Refuse Collection and Disposal Association, a trade association of public works directors and engineers. This association just won a $50,000 grant from EPA. The grant, Hickman said, will help it provide "technical

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assistance," stage "modular seminars," and publish a newsletter. The "seminar officer" being hired under the grant is Clay Ervine.

Hickman and Cummings like their new situation. "It's fun to operate out of your basement and have a free lifestyle after all these years," Cummings explains. "I don't have to spend all my time pleading with civil servants, trying to get things done," Hickman said. "If I want to go home at 1 o'clock, I can. If I want to work at home, that's what I do. If my client doesn't like it, he can fire me. And if I decide I don't like him, I can say 'Sayonara.'"

Hickman and Cummings are, by any reasonable standard, well-qualified to do the states' planning work. They are well-educated, informed, and resourceful. It is quite conceivable they will someday, as Cummings claims, save their clients time and money by "knowing who to call." They are independent and happy after years of struggling with tedium.

And if most of their "work product" can be obtained with a phone call to an agency library? If the environmental crisis they are supposedly solving continues unabated, while their "plans" are skating lazy circles of perpetual delay? Now, who could be opposed to further study? ■

I Was a Teen-Age Consultant

by Diane Cleemput

I got my first job with a consulting firm in 1967, at the age of 19, and I've worked in the industry ever since. My initial employer was a 40-person firm with what looked like a secure future. From its offices in downtown Washington, within sight of the White House, it viewed government solely as a vast market, and had successfully ridden the tide of federal spending from the space and civil defense programs of the late 50s to the War on Poverty in the 60s.

My first boss was a graduate of Harvard Business School and Georgetown Law who ran his own "profit center" of economists, engineers, and MBAs within the larger firm. He was preoccupied with what he called "Big Bucks"—his term for the new contracts then coming out of the anti-poverty programs. Still, for a newcomer like me, consulting seemed like important, high-level work. I did my job conscientiously, typing reports on Thai insurgency and a "feasibility study" on the economics of putting a motel in an Arkansas cave, assisting in one of the remaining civil defense projects by drawing circles on a map of Detroit to depict the damage radius from a hypothetical nuclear blast.

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Gradually I became immersed in the consultant's world of proposals and contracts, where you are valued if you keep yourself billable and sanctified if you develop new business. Everyone in the company understood that what mattered most was assuring that dollars would continue to flow our way. The climax of these efforts was—and still is—"proposal season." Proposal season comes at the end

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of the fiscal year, when consulting firms try to grab their share of the government's unused funds. It's a frenzied time within the firms, with a strong competitive atmosphere. The object of the game is simply to win as many contracts as possible by writing as many proposals as possible. "Marketing training" sessions are held and pep talks given frequently. A friend of mine works for a firm that issues its employees t-shirts emblazoned with the corporation's name to arouse company spirit during proposal season. Other firms where I've worked offer bonuses to employees who can write winning proposals.

The outstanding characteristic of almost all these proposals is that they oversell, presenting an exaggerated portrait of the organization, its past achievements, and the experience of its personnel. One of my earliest jobs was writing the resumes to accompany the proposals. My boss would tell me which resumes to include, and I had to rewrite each one to slant it toward the subject matter of the project. I would cull the resume for some trace of the target topic; when I found it I would build the employee's professional career around it. A recent college graduate who had spent three months coding data for a study of housing for the elderly, for example, might be transformed into a specialist on aging, emerging from my typewriter having "considerable experience in programs for the elderly... involved in a major project for HUD to assess housing needs of senior citizens in eight cities... responsible for managing a large data base on the demographic and social characteristics of older Americans."

The idea, of course, is to promise everything the government wants to hear, and, especially in the rush before proposal deadlines, statements are made and certifications are signed with little regard for their truth. For example, the government may ask the names of a proposal's authors. If the proposed staff for the project are different from the authors—a dilemma that last season confronted one firm I know of—it's easy to lie about who wrote the proposal. The agency will never know.

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Although many of my consulting assignments have been frivolous, once in a while a project comes along that seems worthwhile. One such assignment was a contract my first employer had with AID to design a way of evaluating programs for feeding children in developing countries. I worked on the study for several years, gathering data in three foreign nations, writing a comparison of the programs, and preparing a computer run to analyze the data. Then my firm hit hard times.

It seems the partners were making money at consulting, but were taking a bath on a series of bad investments. Their coin-operated dry-cleaning chain in Italy was in ruins, and their canning factory in Cleveland was of questionable value, as were the sporting goods and music store chains. It made me wonder about the quality of the financial advice and "economic feasibility studies" we provided to minority businesses. It made the partners desperate for ways to generate cash to pay their debts and maintain their salaries.

The executives scurried about in closed-door meetings, writing confidential memos to each other about the cash shortage. One popular idea was to exploit new markets with Washington law firms, international agencies, and "the Arabs," a strategy one memo described as "the development of a major third business that has maximum synergy and a 3.0 multiple." This meant they would charge clients three times salary. The memo also recommended full exploitation of the firm's existing government market, including use of contract overruns, follow-on proposals, and other tricks of the trade.

Despite these revenue-generating plans, expenses had to be cut. The executives developed a "retrenchment program," which involved the firing of about two thirds of the line employees, including "key personnel" promised to the government in the contracts. To replace these workers, management would sell themselves to the government at higher rates, along with a new staff composed of what they termed "goats," people with little or no government experience who could provide most of the daily labor and be molded into any type of "expert," as trends in federal spending dictated. I was told to pretend that the fired staff was still on board and even available for new assignments. When I refused, I was also dismissed.

What of the nutrition contract that I was on the verge of finishing? The company

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successfully milked it by assigning more staff to the project, destroying work that had already been done, repeating the work, and writing new reports. I warned the officials at AID who had funded the contract, but I was told that the company could not be told how to carry out its assignments. In due course, AID agreed to an "amendment" to the contract, which had the simultaneous effect of reducing the project's scope while increasing its duration and cost. As one agency official told me, "We've already spent half a million dollars on the project, why stop now?"

Despite AID's assistance, the company was unable to complete the study to the agency's satisfaction, and today AID does not like to acknowledge that the project ever existed. The company was paid for its work and continues to this day to consult for AID and other federal agencies. Recently, both AID and the Department of Agriculture announced new projects worth several million dollars to "evaluate child feeding programs."

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After I was fired I decided to continue in consulting, more cautious this time about choosing an employer. Eventually I received an offer to be a research associate with a management consulting firm in Georgetown. On accepting the job, I asked about working hours. "We have no working hours," I was told. I asked if the firm billed the government for a 40-hour week. They did—but I quickly found out that the actual time worked on a project bore little relation to the amount of time billed to the government. Budgets were made up and professional time was billed according to the needs of the firm.

It was now 1978 and, appropriately, my assignment was to work on an energy conservation project for the Department of Energy. DOE paid for the full-time work of myself, another researcher, and a company vice president who was supposed to manage the project. In practice, we two researchers did most of the work, while the VP spent most of his time writing proposals for new contracts and handling finances for a half-dozen other government projects. This was not so unusual. In most consulting firms, time spent developing new business is routinely charged to government projects.

The company falsified employee time records to back up its phony billings. For example, I was asked by the vice president to revise my time sheet for a week that had been spent on a Small Business Administration contract. He wanted me to charge my time to DOE. When I asked why, he said it was nothing for me to worry about, just an internal matter. I also learned that one of the company's project managers had discovered time for several nonexistent employees on his monthly invoices to the Community Services Administration.

One of our projects for DOE was to conduct workshops on energy conservation for small businesses around the country. There were always one or two more consultants brought along on these trips than were necessary—although the work was spread around so that everyone had a little bit to do. After I returned from a workshop in Boston, the vice president called me into his office and asked if I had expense receipts for my meals. I didn't, so he pulled out a handy supply of blank restaurant receipts from his desk drawer, explaining that he liked to cover everything. For this trip, he only submitted receipts to match meals I'd actually eaten —but I wondered if that was always the case.

This particular VP was an introvert, but the company made sure he dressed in fashionable suits, drove a Porsche, and had the money and credit to entertain in style. It was an effort for him to keep up this facade, but he did his best. His primary task as manager of our project was "client relations"—in this case catering to the travel and recreational needs of DOE's technical representative. The DOE man, after all, had arranged the contract, and it was clear that he expected to enjoy his fair share of the expense funds. When we traveled to the workshops (where the DOE rep would give a short talk describing the government's energy program), we ate only at the best restaurants. The vice president and the DOE rep would joke about who would pay for the meal, but the VP always paid. Later the VP returned from a workshop I'd missed, complaining that all his free time had been spent chauffeuring the DOE rep and his consultant girlfriend to restaurants and discos in a rented car. "It's not my glowing personal-

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ity they wanted," he lamented, "but my credit cards." Nevertheless, he had swallowed his pride and done his job well. DOE blessed the company with a follow-on contract the same year.

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I have worked for consulting firms with effective overhead rates ranging from 35 percent to 170 percent of salary. The latter figure was calculated by government auditors, who discovered that the overhead charges had been bolstered by the rents on two townhouses and a long-term lease on a Cadillac for the firm's president. Miscellaneous trinkets like health club memberships, and even a pair of Gucci shoes (to cope with those long HEW corridors) were also billed as overhead.

Hiring employees cheap, tacking on big overheads, and selling them to Uncle Sam at prime rates is the key to high consulting profits. For example, when I earned an annual salary of $16,500, my firm charged 125 percent for overhead, plus a five-to-ten percent fee on top of that. So while I was being paid $63 a day, the firm was charging the government $152 a day for my services. This basic arithmetic explains the talk, at one firm where I worked, of searches for "warm bodies" to include in contract proposals, searches accompanied by the incessant reshuffling of employees. It also explains why those employees, who perform most of the contract tasks, but who sense that the government may not be overly concerned with how it spends its money, tend to lose their initial idealism about their work and quit. Many lower-level employees leave the industry, to be replaced by the new, inexperienced recruits who make up most of the "experts" sold to the agencies. Higher level employees, eager to make the arithmetic work for them, often go into consulting for themselves—forming new firms, or, increasingly, becoming consultants to consultants. ■

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Memo of the Month

MEMORANDUM

TO: Staff

FROM: Bill Hayes BH

SUBJECT: Timesheets

DATE: March 21, 1980

Final timesheets for the month of March are due by noon Monday March 24th.

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INCIDENTALLY, THE U.N. VOTE WAS RIGHT

by Thomas N. Bethell

The big helicopter lifted heavily from the landing pad at Camp David on a dour Monday morning in March. A few minutes later it came clattering out of the pewter clouds over Washington and settled swiftly to the south lawn of the White House.

The president emerged, his face taut. He strode quickly to the Oval Office. Vice President Mondale was already there, visibly distressed at being the bearer of bad news again. It wasn't Iran this time. It wasn't Afghanistan. It was worse—much worse.

It was... New York.

"Bob Strauss has been phoning all morning," Mondale said. "He says the Jews are in an uproar—completely out of control! He wants to know what the hell's going on."

"So do I," the president said. Later, Mondale would shudder at the thought of the cold steel in the president's soft voice as he spoke those words....

There are moments in every presidency that seem later to cry out for docu-drama treatment, and this surely will be one of them: the bizarre weekend when the United States joined the other members of the United Nations Security Council in voting for a resolution criticizing Israel's policy of building settlements in occupied Arab territories and then disavowed the vote two days later because of what President Carter called a "communications foul-up."

Certainly a docu-dramatist could have a merry time with this fiasco, but a key point would be lost in the course of going through the exercise. Docu-dramas by definition rely on fictional techniques to flesh out a situation where the bare facts are either too incomplete or too mundane to be the stuff of drama. That's not the case with the Great Communications Foul-Up of 1980. The facts here speak well for themselves, with troubling overtones that reach beyond political melodrama, beyond the immediate embarrassment of another diplomatic debacle for the United States.

On Monday, March 3, coming back from his weekend retreat in the Maryland countryside, President Carter finds himself suddenly neck-deep in controversy over Saturday's vote at the U.N. His political advisers, Robert Strauss foremost among them, fear that the Jews of New York will rise up in wrath to smite the president mightily in the March 25 primary; Strauss has in fact been phoning Mondale, demanding to know what the hell's going on.

Mondale says he isn't sure—he's been out of town himself, campaigning over the weekend in Wisconsin—but when he gets things pieced together (after a breakfast meeting with the Israeli ambassador), he decides Strauss is right. He shares his fears with Carter. There's only one word to describe what they do next: they panic.

Thomas N. Bethell is an editor of The Washington Monthly.

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In short order, Donald McHenry, chief U.S. delegate to the U.N., has been summoned from New York, and Secretary of State Vance hurries back from a mid-day speech in Chicago. In Mondale's office, they get the word: President Carter is furious, he wants to disavow the vote, he doesn't want to hear any arguments, now let's go to work on a statement and get it over with.

There is heated discussion; McHenry, according to sources close both to him and to Mondale, talks about quitting, and Vance makes no secret of his anger and dismay. But, in the end, the disavowal statement is written as ordered. It's only five paragraphs long, but the task force in Mondale's office fusses with it for several hours, trying to get the wording right—ambiguous enough, they hope, to confuse reporters and mollify the voters of New York without bringing the entire U.N. diplomatic corps down on McHenry's head. Finally, at 10 o'clock Monday night, the White House press office begins phoning networks, wire services, and news bureaus with the text of the statement, and Vance goes forth to accept responsibility for the alleged "communications foul-up." "Ask not on whose desk the buck stops," one of the participants says later. "It stops at Cy's."

The Diplomatic Stuff

To the casual reader, the explosive U.N. resolution seems almost stunningly innocuous. It wanders around for a while in a scrubby patch of standard diplomatese before finally making three key points:

(1) Israel's policy of continuing to build settlements in occupied Arab territory is illegal and constitutes "a serious obstruction" to peace in the Middle East;

(2) Construction of settlements should stop, and those already built should be dismantled;

(3) U.N. members should refrain from giving Israel any aid used specifically to support the settlements.

These admonitions seem straightforward enough, and they are generally in line with what Jimmy Carter has been saying about the subject since 1977, although Carter has never explicitly called for the dismantling of settlements. Certainly the general thrust of the resolution seems reasonable, at a time when Israeli policy seems to be hardening into a dangerous variety of concrete. But scattered within the text are half a dozen murky references to the status of Jerusalem. Conceivably, they can be construed as urging the Israelis not only to withdraw from East Jerusalem—seized in 1967—but to relinquish some control over the rest of the city as well. The government of Menachem Begin has flatly and repeatedly refused to talk about giving up so much as a single stone of the city, and the Carter administration has pussyfooted around the issue, vaguely intimating that the problem can no doubt be solved someday, somehow, by somebody. So it's possible to see the wording of the resolution—the first time you lay eyes on it—as a clever diplomatic boobytrap, presumably engineered in the U.N. by crafty Arabs, and if you can persuade yourself to see it that way, you may well be able to take the next step—which is to persuade yourself that the president was indeed ill-served by his advisers and did the right thing by disavowing the vote.

But something's wrong here. A president so blatantly and embarrassingly betrayed by his trusted representatives would surely have disciplined them. After all, Andrew Young lost his job for meeting privately with a representative of the Palestine Liberation Organization against official policy, and this was surely as serious a brouhaha as that. But nothing happened to McHenry or Vance or anyone else. Moreover, although Carter insists he hadn't seen the full text of the resolution before March 3, there's lingering confusion on this point. His disavowal leaves the distinct impression that the resolution in its final form was sprung on him like some sort of rabbit-punch, the kind of thing that bosses are always worrying will happen when the underlings get carried away ("... there I was at Camp David, trying to get a moment's peace, never dreaming what Cy and Don were up to..."), but it didn't happen like that at all, as a review of the events leading up to the March 3 fiasco makes clear:

- The sequence begins in 1978, after the Camp David negotiations. Begin agrees to a temporary freeze on construction of settlements while negotiations get under way on the future of the occupied territories. But three months later, the Israelis begin building again. Settlements soon appear like locusts all over the West Bank

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and the Gaza Strip. Israel claims they're necessary for her security, and some may be; after 30 years of living on the edge of war—and three instances of slipping over the edge into the cauldron itself—Israel is understandably nervous about being caught by surprise, and the best way to avoid surprise is to build settlements next to the people you don't trust.

But how many settlements are really necessary? Where is the line between self-defense and provocation? To the Arab world the settlements stand as proof that Begin has no intention of negotiating seriously to restore any of the territory seized in war; they are infuriated by Begin's insistence that even Palestinian autonomy means, in his words, "autonomy for people, not for land"—a concept the Arabs see as meaningless, an arrogant deception. When Israel's agriculture minister, Ariel Sharon, explains to reporters that "as long as these settlements are built, a Palestinian state will not be established in this area," the darkest suspicions of the Arabs seem to be confirmed. Clearly, unless the issue is resolved it stands a good chance of precipitating a fourth Arab-Israeli war, and, not coincidentally, an escalation of the economic warfare between producers and consumers of Middle East oil. Thus for the United States the pursuit of peace between Arabs and Israelis becomes, more than ever, a matter of both altruistic and selfish priority.

• On February 10 of this year, after Israeli religious zealots have established an unauthorized settlement within the Arab city of Hebron on the West Bank, the Begin government decides not to try to force them out but, instead, to reinforce them by building an Israeli "educational complex" within the city—an action which provokes a general strike by the Arabs in the city and which Carter and Vance denounce as "provocative." The Camp David agreements require Israel and Egypt to work out a plan for Palestinian autonomy by the end of May 1980. It's obvious Begin won't take this deadline seriously unless the U.S. applies intense pressure. The U.N. Security Council, meanwhile, begins debating the Hebron question in particular and the settlements question in general; the State Department suggests this would be an excellent forum from which to send Begin a clear message. In the past, the U.S. has abstained from voting on Security Council resolutions critical of Israel; to vote now will be to provide an unmistakable warning to Begin that he risks losing his best ally if he persists in his settlements policy.

• McHenry, returning from a trip to the Middle East, meets with Vance, Assistant Secretary of State Harold Saunders, and other administration officials to figure out what kind of resolution language the U.S. can support. A draft resolution—similar to several others adopted over the years by both the Security Council and the General Assembly—is already in circulation. It contains, in addition to the mildly troublesome reference to the dismantling of existing settlements, a paragraph castigating the Israelis for failing to "respect and guarantee religious freedoms and practices in Jerusalem and other holy places in the occupied Arab territories." Since the U.S. doesn't officially agree that Israel has in fact restricted religious freedom, McHenry is instructed to try to get that paragraph deleted—otherwise, the U.S. will have to abstain on the vote—and to see what he can do about the "dismantling" language.

• As of February 28, McHenry is still unable to persuade the other Security Council members to make the changes. On February 29, Vance discusses the draft resolution at a breakfast meeting with Carter. He expects the U.N. vote to be taken that afternoon. Carter, Vance, and the others at the meeting (Hamilton Jordan, Zbigniew Brzezinski, and Hedley Donovan) agree that the U.S. will have to abstain unless McHenry can deal with "the Jerusalem stuff." That phrase, reportedly the president's, will be used later to explain the "communications foul-up." It sounds imprecise, but to Vance and McHenry it means the paragraph they have been wrestling with. It doesn't mean the miscellaneous obscure references to Jerusalem scattered elsewhere through the text—the "boilerplate" references, as Vance will describe them later. Vance's perspective isn't hard to understand if you spend a little time looking into the ancestry of this particular U.N. resolution. The status of Jerusalem has been an unresolved issue since the earliest days of the U.N., and none of the U.N.'s various commissions has figured out what to do about it, beyond echoing early recommendations that the city be internationalized under tripartite Christian, Jewish, and Moslem administration; the merits of the argument have long since been trapped in the diplomatic

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tar pits of pro-Arab and pro-Israeli factions, and none of the predecessor U.N. resolutions has gone much beyond ambiguous soul-searching and hand-wringing. Half the text of the latest resolution [see box] consists of standard referrals to these previous reports, resolutions, statements, and letters, all subject to more than one interpretation—the fourth clause, for example, can be read as claiming that Israel captured all of Jerusalem in 1967, when in fact the Israelis had been in the city

U.N. 465: What the Fuss Was All About

THE SECURITY COUNCIL,

TAKING NOTE of the reports of the Commission of the Security Council established under resolution 446 (1979) to examine the situation relating to settlements in the Arab territories occupied since 1967, including Jerusalem, contained in documents S/13450 and Corr.1 and S/13679,

TAKING NOTE also of letters from the Permanent Representative of Jordan (S/13801) and the Permanent Representative of Morocco, Chairman of the Islamic Group (S/13802),

STRONGLY DEPLORING the refusal by Israel to co-operate with the Commission and regretting its formal rejection of resolutions 446 (1979) and 452 (1979),

AFFIRMING ONCE MORE that the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War of 12 August 1949 is applicable to the Arab territories occupied by Israel since 1967, including Jerusalem,

DEPLORING the decision of the Government of Israel to officially support Israeli settlement in the Palestinian and other Arab territories occupied since 1967,

DEEPLY CONCERNED over the practices of the Israeli authorities in implementing that settlement policy in the occupied Arab territories, including Jerusalem, and its consequences for the local Arab and Palestinian population,

TAKING INTO ACCOUNT the need to consider measures for the impartial protection of private and public land and property, and water resources,

BEARING IN MIND the specific status of Jerusalem and, in particular, the need for protection and preservation of the unique spiritual and religious dimension of the Holy Places in the city,

DRAWING ATTENTION to the grave consequences which the settlement policy is bound to have on any attempt to reach a comprehensive, just and lasting peace in the Middle East,

RECALLING pertinent Security Council resolutions, specifically resolutions 237 (1967) of 14 June 1967, 252 (1968) of 21 May 1968, 267 (1969) of 3 July 1969, 271 (1969) of 15 September 1969 and 298 (1971) of 25 September 1971, as well as the consensus statement made by the President of the Security Council on 11 November 1976,

HAVING INVITED Mr. Fahd Qawasmeh, Mayor of Al-Khalil (Hebron), in the occupied territory, to supply it with information pursuant to rule 39 of the provisional rules of procedure,

1. COMMENDS the work done by the Commission in preparing the report contained in document S/13679;

2. ACCEPTS the conclusions and recommendations contained in the above-mentioned report of the Commission;

3. CALLS UPON all parties, particularly the Government of Israel, to co-operate with the Commission;

4. STRONGLY DEPLORES the decision of Israel to prohibit the free travel of Mayor Fahd Qawasmeh in order to appear before the Security Council, and requests Israel to permit his free travel to the United Nations Headquarters for that purpose;

5. DETERMINES that all measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem, or any part thereof, have no legal validity and that Israel's policy and practices of settling parts of its population and new immigrants in those territories constitute a flagrant violation of the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War and also constitute a serious obstruction to achieving a comprehensive, just and lasting peace in the Middle East;

6. STRONGLY DEPLORES the continuation and persistence of Israel in pursuing those policies and practices and calls upon the Government and people of Israel to rescind those measures, to dismantle the existing settlements and in particular, to cease, on an urgent basis, the establishment, construction and planning of settlements in the Arab territories occupied since 1967, including Jerusalem;

7. CALLS UPON all States not to provide Israel with any assistance to be used specifically in connection with settlements in the occupied territories;

8. REQUESTS the Commission to continue to examine the situation relating to settlements in the Arab territories occupied since 1967, including Jerusalem, to investigate the reported serious depletion of natural resources, particularly the water resources, with a view to ensuring the protection of those important natural resources of the territories under occupation, and to keep under close scrutiny the implementation of the present resolution;

9. REQUESTS the Commission to report to the Security Council before 1 September 1980, and decides to convene at the earliest possible date thereafter in order to consider the report and the full implementation of the present resolution.

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since 1950. With this kind of diplomatic language, it's always possible for partisans of one or another point of view to find themselves mortally threatened by a comma, but ambiguity—layered from resolution to resolution over the years—protects diplomats of every persuasion from taking such threats entirely at face value. To Vance and McHenry, the Jerusalem references are more of the same. According to participants, they have long since explained their position to the White House, without a murmur of disagreement.

• In mid-afternoon on February 29, McHenry calls the State Department with the good news that he has been able to get the key paragraph on Jerusalem deleted from the draft. He hasn't been able to get the other members of the Security Council to go along with deleting the "dismantling" language—they are taking the view that of course Israel will someday have to dismantle at least some of the settlements as part of any reasonable peace plan—but he suggests he can take care of that in remarks following the vote, by explaining that the U.S. doesn't think this is "practical." The vote, he says, has been scheduled for 4 p.m. Meanwhile, Carter is on his way to Camp David for the weekend. Vance tells McHenry to try to delay the vote while he checks with Carter. After some confusion in the Security Council over the delay, the vote is rescheduled for Saturday morning.

• On Friday night, Vance calls Carter and discusses the resolution with him. Satisfied that "the Jerusalem stuff" has been properly disposed of, Vance then calls McHenry early Saturday morning and tells him to vote for the resolution, making sure to add the disclaimer about dismantling the settlements. McHenry does so. Afterward, according to a friend, "McHenry felt pretty good about what he'd done. I think he was genuinely upset about the settlements he saw in the West Bank. He thought the vote would help the moderates in Israel. I'm not sure he gave the New York primary a moment's thought."

What We Have Here...

Robert Strauss, on the other hand, was giving the New York primary most of his moments and most of his thinking. He had once served as Jimmy Carter's Middle East negotiator, but the problems of the Palestinians were not uppermost in his mind on Sunday morning when he picked up *The New York Times* and saw the lead headline:

U.S. VOTES AT U.N.
TO REBUKE ISRAELIS
OVER SETTLEMENTS

and, directly under that, the ominous subhead:

A MAJOR STIFFENING OF POLICY

The *Times* story was full of words and phrases guaranteed to put Strauss's teeth on edge: "rebuke... last year, the United States abstained... a sharp warning that American patience with Israel's expanding colonization is wearing thin... a sign of growing sensitivity to the plight of the Palestinian Arabs...."

The article quoted McHenry saying that the settlements are "illegal under international law... an obstacle to the successful outcome of the current negotiations." And it quoted, on the front page, the U.N.'s demand that Israel dismantle the settlements; but it was only in the 14th paragraph, back on page 8, that the *Times* mentioned McHenry's disclaimer about the impracticality of dismantling them. In the next breath, it quoted Israeli diplomats claiming that the vote "increases Israel's sense of isolation in the world community" and said Palestine Liberation Organization representative Zehdi L. Terzi was "obviously gratified" by the vote.

Adjoining articles on the first page of the *Times* reported (1) no progress in the Iranian hostage situation and (2) the convening of a grand jury to inquire further into Ham Jordan's alleged use of cocaine. All in all, it wasn't the kind of front page likely to make an old campaign manager eager to get out of bed. Primaries were coming up in Illinois, Florida, and Connecticut as well as New York, raising the spectre for Strauss of a clutch of states with large Jewish populations suddenly turning against Jimmy Carter. Strauss reportedly thought about calling Carter immediately, remembered the president was at Camp David trying to rest, and decided to wait.

But he didn't wait very long. By the end of the day, reports were coming in that a shift in voter sentiment was already under way, that the legendary Undecideds were deciding, that Jewish leaders were mobilizing, and that Ted Kennedy was preparing

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to demagogue the issue in a big way. Strauss did not wait to see if these reports were true (some were, some weren't) before clamoring for the undivided attention of the White House on Monday morning.

The Carter administration should be given credit for organizing its retreat with amazing speed. By mid-day, Carter had settled on the rationale for disavowing the vote—"the failure to communicate" his understanding that *all* references to Jerusalem would be deleted from the U.N. resolution—and Strauss, leaking word to friendly reporters that the disavowal would be forthcoming, made a point of telling them that *his* man, unlike someone like, say, Teddy, or, say, Nixon, was quick to acknowledge a mistake. He didn't tell them about pinning the mistake on Vance. As for McHenry, Strauss let it be known, none too subtly, that McHenry was keeping his job only because it was politically impossible to fire another black U.N. representative.

Carter, for his part, seemed to go out of his way to walk into the drafting session in Mondale's office and confront McHenry in front of the other participants. There are different versions of their conversation, but there's general agreement that it went roughly like this:

Carter: "I never knew all those other references to Jerusalem were in there."

McHenry, registering surprise: "Mr. President, they were in all the drafts, all along."

Carter: "All the same, if I had known they were in there, I would have ordered you to abstain."

McHenry: "I might have argued with you, sir."

Some reports have McHenry continuing: "But of course I would have voted the way you told me." But a source close to McHenry says he didn't say that last line at all; he was still too upset, this source says, and moreover he suspected that the public upbraiding was contrived—almost as though Carter was trying to make a record, speaking for the benefit of a stenographer or a tape recorder.

The Gang of Five

It's interesting to speculate on what might have happened if Jimmy Carter had decided to stand by the resolution. It wouldn't have been hard, after all, to put out a statement giving his interpretation of the ambiguous references to Jerusalem. As events turned out, the Jewish voters of Illinois gave him their votes anyway; the Jewish voters of New York, Connecticut, and Florida did not. But their turnout was lighter than usual—not that they weren't given ample opportunity to overreact, if they listened to political leaders or read the papers.

New York City's irrepressible Jewish mayor, Edward Koch, returned from a tour of China in the midst of the furor and promptly blamed the U.N. vote on "Carter's Gang of Five"—Brzezinski, McHenry, Vance, Saunders, and Andrew Young, whom Koch seemed to believe was still part of the administration. They were all "viciously anti-Israel," he said. Later, after Vance accused him of uttering "absolute baloney," Koch explained blandly that he was only using "a colorful expression."

He wasn't the only one. Teddy Kennedy pulled some of his regular commercials off the airwaves over New York and substituted a new one in which he proclaimed "Never again!"—the motto of the militant Jewish Defense League. "Whether by misjudgment, mismanagement, or irresponsibility," Kennedy said, "the Carter administration has managed to jeopardize the security of Israel." This got him an enthusiastic endorsement from Rabbi Alexander Schindler, president of the influential Union of American Hebrew Congregations and a leading defender of Begin's colonization program. Kennedy campaign workers in Queens spread the word that Carter was selling out Israel to appease the Arab oil countries; "Carter's Middle East policy is governed solely by oil," Queens coordinator Fran Bennick opined. Two days before the primary, when interviewers on *Meet the Press* tried to get Kennedy to explain what *he* would do about the Israeli settlements, the candidate retreated behind blurry generalizations: "I think the United States ought to be offering its good offices to see the process move forward... but on this particular issue, that ought to be a matter that is left between the parties." Left to the *parties*? The way things were "left to the parties" in 1967 and 1973? If Kennedy's language sounds like an invitation to war, it certainly wasn't much different from what other candidates were saying. Ronald Reagan told a 1978 Bonds for Israel dinner in Chicago that "the present administra-

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tion in Washington is dead wrong when it says Israel's West Bank settlements are 'illegal.' " Asked if he stood by that position in 1980, he said he did.

Colorful expressions also made their way into the media coverage of the U.N. flap. *New York Times* columnist William Safire characterized Harold Saunders as a "pro-Arab aide" who was "delighted" by the U.N. vote, and *New Republic* publisher Martin Peretz, writing in *The Washington Star*, said Saunders had been struggling for years to rewrite U.N. Resolution 242, which indirectly acknowledges the right of Israel to exist. Peretz claimed that Saunders wanted to re-draft that resolution "in accord with Arab wishes," seemingly suggesting that the Assistant Secretary of State would not object to seeing Israel destroyed. Later, in his own magazine, Peretz rumbled that the new resolution was "carefully drafted to undermine the Camp David agreements" and was an effort "to transform American policy without a public debate and as a piece of diplomatic legerdemain." He called for the resignation of Cyrus Vance.

Jack Anderson quickly got into the ring with a column claiming "sources with access to the Oval Office" were concerned that "advocates of the Arab cause surround the president." He named Ruth Carter Stapleton, Billy Carter, and Bert Lance, and noted that Brzezinski had shaken hands with Yasser Arafat. "Anti-Israel, pro-Arab elements appear to have gained the ascendancy" at the State Department, Anderson warned. As for McHenry, he had been "long regarded" as a "staunch advocate of the Palestinians." No evidence was provided to support the inference that people sympathetic to the Palestinian Arabs are automatically anti-Israel.

Newsweek surmised that the administration had made "an incautious attempt to push the Israelis too hard on the settlements question" and quoted an unnamed "Israeli official" as saying that the vote for the resolution "amounts to a repudiation of the Camp David agreements." *Business Week* reported speculation that "it was a Machiavellian maneuver by Brzezinski to put the U.S. on record and disavow the vote later." The magazine didn't explain what it was about this maneuver that Machiavelli would have applauded.

In a mid-March retrospective on the fiasco, *The New York Times* said Vance had reportedly told subordinates in February that the U.S. should not support any U.N. resolution "that might 'distract' from the Middle East negotiations. Yet, on March 1, the U.S. voted in favor of a resolution that did precisely that." (The *Times*, perhaps distracted itself, didn't get around to printing the actual text of the resolution until five days after the vote.) Elsewhere in the same piece, the *Times* suggested the White House had suffered "a breakdown of the 'fail-safe' system instituted by the administration to protect against such confusion." The *Times* didn't explain what this "fail-safe" system was and didn't identify its source for the idea that there *was* such a system—but the reader was left with the clear impression that everything would have been okay if only Cy had cleared the vote with Zbig instead of going directly to Jimmy.

With this kind of reporting, the opportunities for conspiracy-theorizing would strain the imagination of even an Edward Koch. Robert Sherrill, writing in *The Nation*, went so far as to suggest that the timing of the vote and the disavowal might somehow have been connected with the visit of Energy Secretary Charles Duncan to Saudi Arabia. Duncan was trying to get the Saudis to soften their opposition to the U.S. oil-stockpiling program, and the negotiations were still in progress, Sherrill noted, when McHenry voted for the resolution. "Carter did not reverse his position, Sherrill wrote darkly, "until after Duncan had been turned down by the Saudis."

For his part, however, Mayor Koch opted not to expand the Gang of Five to include Duncan. By March 26, in fact, he had narrowed the Gang to one. In the wake of the New York primary results, he told *The Washington Post*: "There's no question that Cy Vance did the president in." The *Post* played the story under a six-column-wide headline:

THE DAY CYRUS VANCE PULLED THE RUG FROM UNDER CARTER

Vance decarpetated Carter, according to the *Post* account, by testifying candidly to Congress a few days before the New York vote. Pressed to clarify the administration's position on Jerusalem, Vance said flat-out that the administration did indeed consider East Jerusalem to be "occupied territory," and had said so before. If that's so, he was asked, why was

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Carter bothered by the references in the resolution, since the U.S. apparently did not see them as compelling Israel to contemplate abandoning the entire city?

Vance struggled gamely with that: "The references have to be seen in the context of the present phase of the continuing negotiations," he said. What in the world did *that* mean? Well, Vance said, Carter was worried that leaving in the references to Jerusalem might be inflammatory. This struck a number of congressmen as absurd, since the U.S. position was already a matter of record and since it was clearly more inflammatory to have taken a position one day only to abandon it a couple of days later. Congressmen were mostly muted in their criticism of Vance. They weren't so kind to Carter, invoking, once again, everyone's favorite definition of presidential character. "In allowing you to accept responsibility," said Rep. Jonathan Bingham, "the president was forgetting the sound admonition of President Truman that 'the buck stops here.'"

The Buck Never Stops

That was Harry Truman's admonition, all right, but it wasn't always his practice. In fact, the 1980 flap at the U.N. bears such an uncanny resemblance to a similar and even more dramatic situation that took place in the same forum more than 30 years ago—a noisy fiasco with echoes still audible today—that it's worth a brief flashback, to put this year's events in true perspective.

Harry Truman's main problem in the spring of 1948 was that nobody gave him a chance of winning the election in November. There was widespread agreement that the Republican challenger, New York's Governor Thomas E. Dewey, would roll over Truman with nary a backward glance.

Americans were disturbed by domestic issues over which the president seemed to have no control—inflation, skyrocketing housing costs, burgeoning government bureaucracy. And on the other side of the Atlantic, the Russians were on the move, seizing Czechoslovakia one day, trying to strangle Berlin the next. In the Middle East, the dying British Empire had abandoned all hope of finding a solution to the Palestine crisis, and had announced that its mandate over the region would end abruptly in May.

Two years previously, an Anglo-American Committee of Inquiry had written that "Jew shall not dominate Arab, and Arab shall not dominate Jew" in Palestine, but this noble hope was rapidly fading. The fledgling United Nations was grappling with a plan for the partition of Palestine, but in the wake of the Holocaust there was powerful support for the idea of a Jewish homeland, and nowhere was that support stronger than in New York. Sounding very much like an earlier-day Robert Strauss, New York state Democratic chairman Paul Fitzpatrick warned Truman that if the U.N. plan went into effect "it would be useless for the Democrats to nominate a state ticket for the [1946] election." If anything, that view was even more entrenched by 1948.

Truman was acutely interested in dealing with his own political reality. Secretary of State George Marshall, however, took the view that the United States should not permit itself to be stampeded into recognizing a new, self-proclaimed Jewish state in the Middle East. He still hoped to see a Palestine partition plan worked out—one in which Jerusalem would be internationalized, under a tripartite Christian, Jewish, and Moslem administration, and the rest of the territory would be divided between Jews and Arabs. The alternative was grim. As the deadline for the British pull-out approached, Marshall cautioned Truman: *Wait. Don't be hasty. Mistakes we make now will be with us for a long time to come.*

"Marshall is not politically minded," Richard L. Strout wrote in *The New Republic*. "He is not trying to elect anybody." That was his problem. Within the White House, closer to Truman, there were other men with other priorities. Foremost among them was presidential adviser Clark Clifford, whose eyes were fixed not on the long-term prospects of the Middle East but on the immediate and urgent need to corral the Jewish voters of New York.

Torn between conflicting advice, Truman plunged his administration into the kind of confusion that would be instantly recognizable today. On May 13, 1948, at 6 p.m. Eastern Daylight Time, the British mandate over Palestine expired. At 6:01, the new State of Israel declared its existence. At the U.N. General Assembly, American delegates continued working on the Palestine/Jerusalem issue, with the understanding—conveyed to them by Marshall—that Washington would be pa-

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tient. But Clifford prevailed. At 6:11 p.m., White House press secretary Charles Ross called reporters into his office and read them a two-paragraph statement recognizing Israel. The Americans at the U.N. got the text from the Associated Press wire, and promptly threatened mass resignation; Ambassador Warren Austin reportedly locked himself in his hotel room, too mortified to face his colleagues.

The Middle East was soon engulfed in the first of three Arab-Israeli wars, and the U.S. was gradually drawn into a vast military-aid program for Israel that has been sustained for 30 years. Could a peaceful solution have been found, given a little more patience? Maybe, maybe not; in terms of domestic politics, that isn't the key point. Throwing his unequivocal support to Israel, Truman picked up the necessary votes in New York. It was a close call, and his experience has stamped itself indelibly on the collective consciousness of political advisers ever since.

When the 1948-49 war was over, Israel occupied territory well beyond the boundaries of the original U.N. partition plan, and tens of thousands of homeless Arabs were sheltering in "temporary" U.N. refugee camps where they would remain for decades. The State Department urged Truman to pressure Israel to abandon its gains—but Truman, with an eye toward the same voters who had narrowly rallied to him in 1948, flatly refused. In a moment of remarkable candor, he told a group of foreign service officers: "I'm sorry, gentlemen, but I have to answer to hundreds of thousands who are anxious for the success of Zionism. I don't have hundreds of thousands of Arabs among my constituents."

The buck stops *where*? Cy Vance, meet the ghost of George Catlett Marshall.

Doyle Dane Sadat

Maybe the problem is Yasser Arafat.

After all, the United States is a nation that responds conspicuously to advertising and public-relations campaigns, and it's hard to imagine anyone with much worse media presence than the chief of the PLO. He looks like someone you would instinctively avoid in a park. They say he's got some sort of skin problem that makes it hard for him to shave, but surely there's *some* way for a make-up artist to do something about that perpetual four-day stubble. His toothy grin seems to reek of insincerity, and it seems highly probable that his breath is overpowering. His gaffes are memorable: after waiting ten years for provisional recognition at the U.N., who also would appear at the rostrum of the General Assembly carrying a gun? Ask the average American man-in-the-street to associate a word with Arafat, and the answer snaps back: "Terrorism." That is not a false association, nor is terrorism something that can be corrected with a little upbeat image-building. Of course, Menachem Begin, in his day, was every inch as much a terrorist as Arafat. But that's all forgotten.

Face it: the Israelis are better at P.R. than the Arabs. They always have been. Anwar Sadat is the first and still the only Arab leader that most Americans would welcome into their living rooms—largely because he understands how to get there via television, talking warmly to "Waltehr" about his hopes for his grandchildren. The Israelis have been doing that number for *years*. Ben-Gurion, fierce though he was, looked like everybody's favorite grandfather straight from Central Casting. Golda Meir? Tough, yes—but you've ridden next to her on the bus, and she showed you snapshots of her nieces and nephews. As for Moshe Dayan, Madison Avenue on its best day could hardly have improved on that eyepatch.

If this sounds excessively cynical, it's not intended that way. It's just part of reality. Nobody should be allowed to belittle the other realities—the pogroms, the Holocaust, the suppression of Russian Jews, the dark traces of anti-Semitism that still trickle through so many minds in so many places—but the fact remains that Israel's history as a modern nation has been the stuff of wonderful public relations.

Only relatively recently has that situation begun to change. Menachem Begin talks about *his* grandchildren, too, but his settlements policy is too controversial to lend itself to some facile public-relations solution. Within Israel there is intense opposition to Begin's policy, even among those who see the need for *some* settlements. The country is struggling with a 140-percent inflation rate, up from 35 percent when Begin took office in 1977, and in that context, the settlements program is a huge economic drain for Israel; settlements now being planned will cost

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upwards of $1.5 billion to build, and unless these costs are indirectly subsidized by the United States, as they have been in the past, the Israelis—a small nation of only 3.6 million people—simply can't afford them.

Even the traditional argument for the settlements—they're necessary for security—has begun to unravel, to the point where Defense Minister Ezer Weizman told *The Jerusalem Post* in March that Israeli soldiers for the first time are suffering a crisis of morale brought on by the stigma of being occupation forces—subjugating people with whom they feel they have no real quarrel. That isn't worth the dubious military advantage of the settlements, Weizman said, but even while he was speaking, religious zealots belonging to the militant Gush Emunim movement were pressing ahead with unauthorized settlements, such as the one in Hebron, and the Begin government seemed uninclined to resist them. Clearly, the moderates in Israel need allies desperately, wherever they can find them, if they are to steer Israel on some sort of rational path toward stabilization of the Middle East. That point has certainly penetrated the Jewish population of the United States, which is far from monolithic in its opinions on Middle East issues, but it doesn't seem to have penetrated the president's campaign headquarters.

And that's the final, sad irony of Jimmy Carter's headlong retreat. It wasn't necessary—not for our politics and certainly not for the politics of the Middle East. It was simply a tribute to the lasting quadrennial influence of Chicken Little. The sky didn't fall on Jimmy Carter after the U.N. vote—he just *thought* it would, and bolted, abandoning a promising diplomatic strategy at the first rumble of thunder from New York.

This hardly seemed to be the same Jimmy Carter who boldly brought Anwar Sadat and Menachem Begin to Camp David in 1978 and kept them there until they agreed on the first steps toward peace. In 1978 he was widely and rightly admired for his steadfast sense of purpose. The decision to support the U.N. vote in 1980 seemed to follow in the same spirit. But in 1978 he wasn't running for anything. After the flip-flop at the U.N., it would be harder to believe in Carter's commitment and easier for a cynical world to conclude that, after all, expediency was still the key concept in American diplomacy. That was just about the last thing that Jimmy Carter—or anyone else—really needed. ■

When Bill Moyers listens, people talk.

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Let's Go Interface Lunch

Add the phrase "jobbed in" to your collection of Washington jargon. This is how we overheard it in a conversation between two well-dressed men walking through Dupont Circle:

"It would have been a great opportunity to recycle the report we did last year for HEW, but frankly, Mark, I'm so jobbed in, I didn't have time to impact the decision-making."

Tidbits & Outrages

'In Case of Fire, Break Glass, Remove Fire-in-Progress Form, Complete, and Mail to Department of Fire'

A Justice Department official who handles sensitive information about the Mafia went to his office late on a weekend night recently to retrieve some papers for work at home. Passing through a coded-entry "blast door" into his division's office, he found a phone line lighted—even though the office was empty and no phones were off the hook. Since his division worries about Mob wiretapping, he checked the telephone junction box. He found it open, with tools and wires scattered on the floor. Unaware that routine phone work had been left unfinished at quitting time, he called building security and asked for guards. The perpetrator may be here right now, he explained breathlessly. The security desk's response? "Sorry, you'll have to call your supervisor. We can't send a guard to your office without authorization."

And They All Wear Self-Service Elevator Shoes

There are 130 elevators in the complex of buildings serving the Congress, but there are only 90 elevator operators. Does this mean Congress has included itself in the fiscal austerity being decreed for the rest of us? Not quite. Most of the elevators are built for self-service operation.

You May Now Salute the Bride

We *are* in a time of social transition. Witness this wedding announcement from *The New York Times*:

"Brig. Gen. Frederick Adair Smith, Jr. U.S.A., and Mrs. Smith of West Point, N.Y. have announced the engagement of their daughter, Capt. Katherine Lorraine Smith, U.S.A., to Capt. John Michael Ward, U.S.A., son of John Thomas Ward of Galt, Calif., and Patricia Byrne Ward of Arlington, Va. An April 12 wedding is planned at Fort Lewis, Wash., where the future bride is commander of Headquarters Company, Ninth Signal Battalion.

"Capt. Smith, who was presented at the Bachelors Cotillion in Baltimore, is a graduate of Middlebury College. She studied at the Signal School at Fort Gordon and the Airborne School at Fort Benning, both in Georgia."

There Would Still Be Advertising, However

Recently the National Society of Professional Engineers held its annual convention, accompanied by full-page newspaper ads asking: "Have you ever stopped to think about the superior engineering which makes modern existence possible?" Some of the modern things we would not have without superior engineering, according to the ad: "elevators. . . iron lungs. . . kitchen stoves. . . long-distance calls. . . central heating. . . cash registers. . . Apollo modules. . . roller skates. . . and toys."

Not to be outdone, Union Carbide has been running ads asking: "What can you make from 'energy'?" Without petrochemical raw materials, the ad continues, we would be deprived of thousands of essential items. Among those listed: "eyelashes. . . tent pegs. . . no-wax floors. . . credit cards. . . stretch pants. . . puzzles. . . football pads. . . welcome mats . . . dune buggy bodies. . . stuffed animals. . . desk organizers . . . swizzle sticks. . . electric scissors. . . disposable lighters . . . Frisbees. . . fake furs. . . tote bags. . . guitar picks. . . decoys. . . wigs. . . hockey pucks. . . doorknobs. . . and dog toys."

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Confessions of a High-Tech Politico

Mr. Wang Goes to Washington

by William Haydon

I am a top aide to a recently elected United States congressman. Democrat or Republican, conservative, moderate or liberal, it doesn't matter. Officially I have gone under several titles, from Legislative Aide to Administrative Assistant. This means nothing. Since the day I entered the office, I have had one mission—reelect my congressman. For this I am paid a rather large sum of money, and I do a very, very good job.

Like everyone, I'd always heard of the power of the incumbency, the perks and the privileges. Nothing, however, had prepared me for the delights that unfolded before me during our first few months in office. I'm not talking about the old-fashioned advantages, the postal patron newsletters and the agriculture bulletins for the 4-H'ers. No, I'm talking about state-of-the-art incumbency-boosting—a whole new ball game, at least for those of us who know the rules.

The key to the game is a sentence from that seemingly dull document, *House Regulations, Allowances and Expenses*: "Each member [of Congress] is authorized to acquire information and computer services and equipment consistent with the general provisions governing the allowance of official expenses." While these few words of bureaucratese may appear harmless, to Hi-Tech politicos like myself they are a golden key to a magical world. Quite simply, they grant permission to the representatives and their staffs to acquire any computer tape possible, as long as it is used for "official purposes" under the guidelines of the frank, the basic free-mailing privilege enjoyed by members of Congress. And the frank—well, as one Hill buddy of mine put it, "The frank isn't a loophole, it's a black hole. If you can't do it under the frank, you're either dumb or hopelessly unsubtle."

For me, it began innocuously enough. A few days after taking the oath of office—the fruit of a sweaty, uphill campaign—my boss wanted to send a letter to some lawyers in the district. So I wrote the head of the state Bar and asked if we could have a list of members. By return mail, he sent me a computer tape of all the lawyers in the state, even though we had asked for only those in our district. Bolstered by the ease of this small coup, I went on to request from the state medical association a list of its members—despite the fact that I had been denied this very list only recently, when we were campaigning. To my astonishment, we quickly received a tape with all the doctors *and* the nurses, complete, of course, with addresses. The light began to dawn. We could get these tapes for the *asking*, lists I had been dying for just a few months earlier, in the campaign. All we had to do was ask! I went crazy. I wrote everybody.

Within a month I had computer tapes with the names of every realtor, barber,

William Haydon is the pseudonym of a congressional aide.

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banker, car dealer, state university alumna and alumnus, school teacher, and county and municipal official in our district. And then I made my Big Score.

The Ultimate Weapon

The idea came to me late one Friday afternoon when I was surveying my now rather lengthy list of computer acquisitions. It was a good and impressive collection, but somehow imperfect; a vital piece was absent that I couldn't quite put my finger on. And then it hit me, a thought so crazy and arrogant that it sent shivers up my spine: a drivers' license file. The ultimate weapon. Before my nerve deserted me, I fired off a letter for my congressman to sign. And then I tried to forget about it, embarrassed that I had been seized by the audacity even to have made the request.

Three weeks later it came ripping through the mail: 330,000 names complete with dates of birth, sex, race, and addresses. I was stunned. Three hundred and thirty thousand good souls and constituents, potential voters every one. Cortez at the Pacific knew no greater joy.

The next step was obvious. As allowed under House rules, I contracted with an outside computer firm to merge and purge all the lists. Basically this means that each tape was cross-referenced with the drivers' license beauty to build one master file. For instance, a Mr. Humbert Haze is a lawyer. He is also a State University alumnus. He is also a registered real estate agent from his days selling real estate in college. Mr. Haze, of course, is a licensed driver as well. By merging each of my tapes with the drivers' license file, I captured all of this information on one tape and thus learned a great deal indeed about the good Mr. Haze.

Once the tapes were cross-referenced and merged, I then grouped all listings by household based on last names, addresses and zip codes. This is how I learned that Mr. Haze has two children, Hazel, age 17, and Claire, age 19, and a wife, Dolores, who is also a real estate agent and a former high-school teacher who retired when Claire was born. (This last bit of information I gleaned by comparing the birth date of her oldest child with the date she joined the former teachers' association.)

If all this is a bit disconcerting, hang on, the fun's just beginning. But you may be wondering at this point where the money came from to pay for all this sexy computer work. The answer should be obvious: You, my dear, God-fearing Taxpayer, you funded my computer frolics. The House of Representatives provides each congressman with about $70,000 per annum for all office expenses, from pens to telecopiers. Per the previously quoted House regulation, computer services are absolutely kosher, as long as they are used for "non-political" endeavors. What a joke. Nothing that comes out of a congressional office is non-political, though of course there are myriad rules prohibiting self-laudatory efforts, rules that go so far as to limit the number of personal pronouns per newsletter page and the size of a representative's photo. This is the congressional equivalent of the Geneva Convention prohibition against the use of dum-dum bullets. As one right-thinking general once said, "Big deal. I'd rather use a bazooka." My sentiments exactly. And bazookas, of course, are perfectly legal.

The rules, for example, limit a congressman to six newsletters, addressed to "Postal Patron," per constituent each year. These newsletters are an old standby, but lacking a personal address they often go unread (if the postman even bothers to deliver them). Me, I'd rather send a letter addressed to the voter by name—that has an impact. And it just so happens that there are *no* limits to the number of individually addressed letters a representative can send at public expense. In fact, I can say with absolute certainty that during my entire career as an incumbency virtuoso I have never broken a single law or House regulation. Quite simply, I never needed to.

Precision Bombing

Anyway, there I was, lord and high priest of an awesome realm of names and details that stretched from one far-flung corner of our district to the other. But what next?

From my experience in the campaign wars, I knew that direct mail is most effective when it is highly personal, specific, and as unusual as possible. Fortunately, given the weapons placed at my disposal by the House of Representatives, all three goals were within my grasp.

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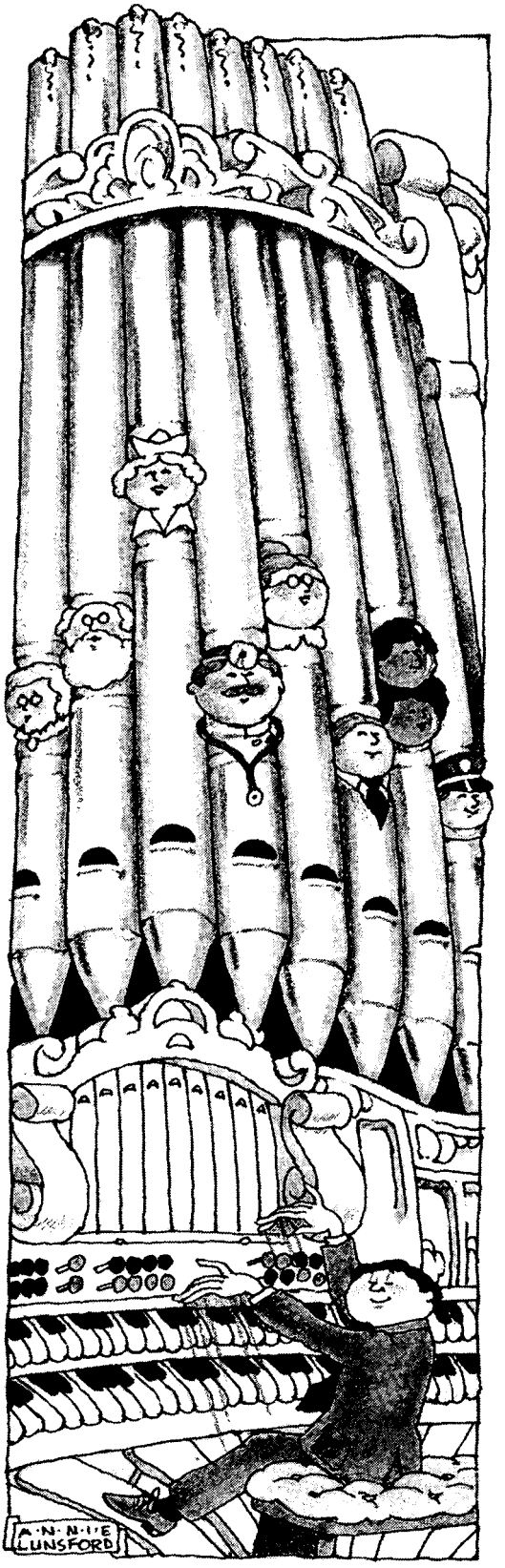
I began with a personal letter to each of the special interest groups we had on file. The physicians received a letter from my congressman enclosed with a reprint from the *Congressional Record* of his recent remarks on the horrors of socialized medicine. The docs ate it up. The nurses got a letter pointing out the congressman's recent vote to increase funds in the federal budget for nurse training programs, along with a copy of his impassioned comments on the subject.

Each of these letters began, "Knowing of your intense personal interest in any legislation affecting physicians/nurses, I thought you might be interested to see. . . ." On the average we received one response, invariably positive, for every two letters we sent—an absolutely phenomenal 50-percent rate of unsolicited response. Again, I was stunned. People cared about what we were saying! Amazing.

I was getting more confident now. To the realtors, we sent a letter bemoaning the shortage of federally subsidized mortgages. The teachers received a moving homily on the desperate need for a Department of Education. The bankers were delighted with our support for the "parity" provisions of HR. 4986, which allow some banks to charge higher interest rates. The American-car dealers thrilled to the congressman's remarks on the need for higher import tariffs, and the foreign-car dealers most certainly appreciated our congratulations on their contributions to the energy crisis by marketing high mileage cars. (To those dealers who sold both foreign and domestic cars, we sent a diatribe against unrealistic pollution standards and overregulation.) And so it went, my computers merrily churning out their monthly average of 100,000 personalized missives.

After the special interest nests were properly feathered, I branched out into more subtle endeavors. From my master file I drew out all constituents 65 and older, using the date-of-birth information on the drivers' license tapes. These lucky seniors were soon rewarded with more than they probably ever wished to know about generic drug discounts, special transit system fares, and the like. Like my boss, I feel our elderly citizens deserve every courtesy and privilege from their congressional office, a service that will continue. . . as long as they keep voting compulsively.

(continued on page 46)



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For our next venture I turned to a poll we had commissioned some months after taking office. From our leftover campaign funds, we had come up with the ten grand or so our Washington pollster was charging for a detailed breakdown of our strengths and weaknesses. This sort of thing is standard operating procedure during a campaign, so it was only logical that we would do it, as in our minds the campaign had never ended.

The poll showed that we were not as strong as we thought we should be among blacks and Hispanics. The next morning I had my computers pull out all blacks and browns from our master file (keying on the race code on the drivers' license list), and letters were dispatched forthwith detailing the congressman's support of the Martin Luther King birthday bill and the need for bilingual teachers. A schedule was established so we now mail this list at least once every two months.

Sure enough, a follow-up survey showed that the congressman's image in the minority communities had improved dramatically. Interestingly, the greatest positive gain was in response to the question, "Do you think Congressman X has spent enough time in the district?" In the original poll some 70 percent answered "no"; after the mailings, this number dropped to 40 percent. It was a particularly startling shift considering that during the six-month period between the two surveys, the congressman had been in the district only twice, far below his regular schedule of biweekly visits. His appearances had been limited to the mailbox—but that was good enough.

Inside Their Minds

Of course, while we were peppering our constituents with personalized messages, our congressional office was also receiving the normal load of constituent mail at the rate of about 400 letters a week. Once again, computers—though a different sort—saved the day. Like many offices on the Hill, we employed the services of a computer firm that specializes in processing routine congressional mail. For about $1,000 a month, these outfits, of which there are several, will place in your office a small impact printer that is wired by phone into their master computer. As each letter comes into the office it is assigned a document number and the writer's name and the letter's subject are inserted into the computer. Most of the letters can be answered by a staff member assembling stock paragraphs already programmed into the computer. Hence if you write us a letter in strong opposition to the draft, and also mention that you think the 50-cents-a-gallon gas tax is a Masonic plot, our happy console operator merely hits a couple of keys and the proper paragraphs spring forth giving our congressman's sage opinion on both issues, along with a stock introduction—"Thank you for your comments on the draft and the..."—and conclusion—"If you ever again need the assistance of me, or any other member of my staff..." Not to mention our IBM 3650.

This in-house computer operation is extremely useful in the day-to-day letter-answering operations, but it could never handle the mass mailings we discussed earlier. The printer is far too slow and the memory capability too limited in comparison to the systems used by the companies we hire to do our mass mail campaigns. There are, however, some intriguing ways to combine the two systems.

I began, every three months or so, to run a merge of my office file of incoming letters with my master file of gathered data. Thus to my already significant information about Mr. Haze, I could now add that he is a fanatic for the MX missile and believes the metric system could save the country millions—both facts gathered from his letters to my congressman. Of course, since as a lawyer and a realtor Haze had been getting a little mail from us, it wasn't surprising he had taken the time to write.

This "issue clarification" added a whole new dimension to our correspondence program. In addition to knowing what people do and had done, we now began to get a sense of what they *thought*. The plot thickened.

Today, whenever my boss is moved to make an especially forceful statement on a particular issue (and we see that he is moved frequently), we write letters to those people our computer tells us have expressed an interest in the issue. This doesn't mean that we write only those who are in agreement with us. Frequently we will pop off a few thousand letters to, say, anti-nuclear constituents, containing thought-

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ful remarks the Congressman has made in support of nuclear power. "Though I realize we are not in agreement on this particular issue, I wanted to take the time to give you a more in-depth impression of my attitude toward nuclear power. I strongly believe that a dialogue is the first step toward good communication and good communication is the first step toward a better understanding of any problem. I don't claim to know all the answers on this subject. . . ." Chances are, even if you light your home with jojoba oil, that after you receive a steady stream of these letters your active animosity toward my boss will decrease. I mean, face it, it's hard to hate somebody who writes you such nice letters every month or so.

Preemptive Strikes

Each month that we have been in office, I have realized new and wonderfully more devious ways to maximize our potential. Taking a tip from friends in another office, I requested from the state Board of Health a computer tape of all recent births in the district, along with parents' names, etc. They were more than happy to comply, and we now send each new parent in the district a book called "Infant Care," published by HEW. When the little tyke has his first birthday, we automatically send the parents another book, this one called "Child Care." Rest assured that I have every intention of following up these mailings with a voter registration form 17 years later. Can't be too careful, you know.

Then there was the time we heard that a very popular small-town mayor was thinking about running against us. Knowing that his main support would come from the immediate area around his hamlet, we pulled from the computer the names of all males between the ages of 30 and 65 who lived within the four relevant zip-codes. If the mayor was going to run, we figured, this list would have to comprise his financial base. Over the next month we came up with different reasons to write everyone on the list a nice letter, whether in reference to a previous letter they had written, or on a professional matter that our computer told us would be of interest to them, or, if nothing else, a note discussing alumni affairs with the State University graduates. Then we flooded the area, every single household, with a U.S. government bulletin listing various free publications available from the government, along with a polite note telling them we'd be glad to help order anything that caught their fancy. Finally, we mailed all the teachers in the area a book on the history of the U.S. Capitol, followed by a letter to the county and municipal officials detailing the grants that had flowed into the area since Congressman X took office. For some reason, talk of the mayor's candidacy seems to have faded.

Our loyal computers also help us play all sorts of wonderful games with scheduling. For instance, our poll tells us that housewives in the $15,000 to $20,000 income bracket think my boss is the new Warren Beatty. A visit from the congressman would all but send these women into a swoon, assuring their eternal support, and maybe a few contributions. So we ask the computer for a grouping of all married couple households. Then we narrow it down by excluding the less accessible rural zip codes, keeping an urban core. This is pared down further by dropping the zip codes of less affluent areas (remember, we're after a middle class housewife). We then ask for certain streets in our remaining zip codes, streets in the neighborhoods we know we want. That's it. The computer gives us a print-out, arranged by streets, of the households likely to contain our perfect woman.

The next time the congressman is in the district with a few free hours, he takes the print-out and goes directly to the houses we've targeted. "Hi, I'm Congressman X and I just wanted to drop by and see how you're doing, Mrs. Haze, and to say I appreciate your writing me last month about the need for a Department of Education." Freaks them out every time. And we can do it for any group of people in the district. . . .

But listen, I've got to run. I just got a tape of Hispanic model airplane owners, and I have to come up with something to write them. And I hear IBM is demonstrating a new machine they've finally perfected that burns entire computerized letters onto paper instantaneously, using a laser. Sounds interesting. Aside from that, though, there's not much else to do. I was planning to start working on the campaign, but nobody's running against us. Imagine that. ■

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How the Chamber's Computers Con the Congress

by Mark Green and Andrew Buchsbaum

In 1975, a genuine grassroots groundswell began in Asheville, North Carolina. The people of Asheville were mad as hell—mad about the grant-in-aid provisions in Title 3 of the proposed National Land Use Planning Act. Like good citizens they wrote their congressmen. Rep. Ray Taylor received a record 15,000 letters from his district complaining about the menacing law.

This uprising was staged by the U.S. Chamber of Commerce, one of Washington's best known lobbying institutions. The obscure Land Use Act had upset the Chamber—but just calling up congressmen to oppose its passage lacked the personal touch. So the Chamber had used its $1.3-million computer to grind out letters to all its members in districts of swing congressmen—those who were known to be on the fence, willing to vote either way, like Taylor. The letters urged Chamber members to write and protest, warning them that the NLUP was the first step to a national zoning ordinance.

The spontaneous appeal that the Chamber produced may seem artificial, but it rang true to Taylor, who cast a crucial vote killing the bill in committee. Later, when asked whether he had been influenced by the Chamber, Taylor professed surprise, insisting, "I never even heard from the Chamber of Commerce. I responded to the 15,000 letters I got from my district."

Not all congressmen may be as credulous as Taylor, but the technique continues, nevertheless. Last year, the Chamber managed to inspire 250,000 letters opposing a Federal Trade Commission reauthorization bill that wasn't stiff enough for the Chamber's liking, according to Jeffrey Joseph, a Chamber lobbyist.

Letter writing is certainly the most sophisticated—but hardly the sole—activity of an organization that is at once the country's most public and least understood lobbyist. A federation of corporations, trade associations, and local Chambers of Commerce, the U.S. Chamber has 94,000 members, a staff of 1,200, and an annual budget of $30 million. It's housed in a squat, marble building across Lafayette Park from the White House, a location not chosen for its convenience to bus lines. The Chamber employs 45 registered lobbyists—more than all Washington's consumer and environmental groups (its most frequent opponents) combined. Its self-image is uncomplicated: "Our main mission in life," says Chamber president

Mark Green is director of Public Citizen's Congresswatch. Andrew Buchsbaum has been the Information Director of "Big-Business Day—1980." This article is adapted from their recent report "The Corporate Lobbies."

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Richard Lesher, "is to influence the United States Congress."

The Chamber engages in all the usual practices of lobbyists—lunches with congressmen, visits with their staff, drafting of possible amendments and legislation, and testimony before friendly committees. Its programs are supposed to be a primer in free-market capitalism—at various times the Chamber has opposed antitrust enforcement, federal mass transit subsidies, the Tennessee Valley Authority, the minimum wage, public housing, increased capital gains taxes. It is not completely closed-minded, however: it favors maritime and foreign-investment subsidies to corporations, refused to take a stand on deregulating the airline industry, and has spoken out forcefully about the unfair burdens tax policies place on a much-abused minority—Lesher saying in *Politics Today* that "the biggest abuse is that the upper 50 percent is paying 92 percent of the taxes... the largest amount of tax shelters in this country is in the lower income brackets."

When it is lobbying directly, the Chamber tries to make its points in dramatic ways, often with less concern for accuracy. In opposing part of the 1975 Clean Air Act, for instance, the Chamber wanted to draw a simple map of the areas of the country that would be barred to industry. The bill in question prohibited industrial facilities in national parks, but not in state parks or other public property under local control. The Chamber lumped them all together, however, and marked every one of them on a map of the country. Around each point was drawn a circle 120 miles in diameter. The circles were colored red. It was a scary map, even if you hated industry—nearly everything was red, leaving no place in the country to pitch a tent, let alone build a factory. Chamber lobbyists distributed the map to congressmen, and it scared them too.

But to help simplify the complex act so even congressmen could understand it, the Chamber had used a few shortcuts—such as making up the 120-mile diameter. "It was outrageous," said Robert Maher, then a counsel for the House subcommittee on health and environment, which favored the bill. "The 120-mile diameter was not part of the law." Maher demanded that the Chamber circulate a retraction, and it refused.

The Chamber works best, however, when Washington sees it least—when it sends information to its members so they can in turn contact their congressmen. The Chamber usually won't estimate how many letters it has inspired, but congressional staffers, who read the things and get to recognize familiar lines, say it's considerable. The Chamber's computer system arranges these spontaneous outpourings whenever the legislative staff identifies uncommitted congressmen who can be swayed on important bills—usually those congressmen whose districts are unlikely to be affected by a bill, and thus are open to suggestions about it. The computer contains elaborate detail on the Chamber's corporate members—their revenues, numbers of workers, plant locations, and key officials.

When some threatening legislation, say the Fake-Fur Industry Nationalization Act of 1980, is proposed, Chamber officials can punch orders into the computer to call out the names of every manager in every fake-fur plant with more than five employees. The computer then dashes off a single page "Action Call" to the managers, warning the industry of its peril. The managers then ask their employees to write their congressmen before it's too late.

"Given enough time," says Chamber lobbyist Fred Byset, "you can probably generate enough grassroots support or opposition to affect the outcome of a bill on any issue."

KRP in Cincinnati

Another personal touch the Chamber emphasizes is its network of "KRPs" in towns around the country. KRP stands for Key Resource Personnel. The Chamber guards the identity of its KRPs better than the CIA masks its agents, but, as with spooks, it's never very hard to guess who they are. A KRP is an individual member of the National Chamber— through his company or local chamber—who has direct "access" to a representative or senator. The KRP's access may be derived from personal friendship, large campaign contributions or family relations. The Chamber field staff carefully nurtures each KRP, reserving them only for important issues.

As a Chamber official recalled in an interview, several years ago, the national Chamber wanted to explain a tax proposal to then tax-czar Wilbur Mills, who often

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refused to see or listen to lobbyists. To contact Mills, the Chamber had the local Chamber in Fayetteville, Illinois, organize a dinner in Mills' honor. To make sure he attended, his brother and all his friends in the area were invited, as well as the president of the local Chamber. At the dinner, the Chamber representatives found plenty of time to explain their tax proposal.

On another occasion, during the debate on the Consumer Protection Agency, the Chamber contacted a businessman in the South, a KRP who had access to a particular "swing" congressman. The KRP said he had heard from the Chamber that the congressman had been wavering on the issue and advised him to vote against the bill. Later that night, the congressman called the businessman's home, and then his club, to give him the results of the vote and to assure him that his advice had been heeded.

"We really put a lot more stock in what people can do at home to influence members of Congress than in what we can do by talking to congressmen," said Hilton Davis, head of the Chamber's legislative action department. This strategy has existed since the organization was founded as a federation of local Chambers staffed solely by local businessmen. In fact, the Chamber was one of the first Washington groups to cultivate a local presence. Since 1946, the Chamber's "field force" (now 33 officials in six regional offices) has traveled to local Chambers, encouraging them to form Congressional Action Committees (similar to a business' Political Action Committees or PACs) to bring members up-to-date on Washington issues. This local presence is doubly important because, in many areas, the Chamber is viewed as a non-political service organization, planning picnics and promoting tourism. Because of this public-spirited image, even local leaders who would be opposed to the U.S. Chamber's goals are willing to join its local chapters. Many AFL-CIO local presidents, for example, are Chamber members.

No Softball

Based on its local presence, the Chamber likes to encourage the popular misconception that it is the representative of small business—that its interests are the interests of tiny companies that have been in the same town since the 1880s, who plow all their profits back into jerseys for the town softball leagues they sponsor.

But reality clashes with this romantic vision. Although it's true that 80 percent of the Chamber's member companies employ fewer than 100 people, only four of the Chamber's 65 directors come from such companies. The majority hail from small but worthy businesses like Exxon, General Motors, General Electric, Sears, Owens-Corning, Caterpillar, and Dresser Industries, to name a few whose officers dominate the Chamber's board.

William Eastham, a former chairman of the Chamber's board, explains the simple reason for this apparent contradiction: "Small businessmen are so busy, they don't take the time out to speak on their own behalf." Luckily, large businessmen have more time on their hands to catch flights to Washington.

The influence of big businessmen in the Chamber explains its enthusiasm for such issues as foreign investment credits, something that would seem to be of little interest to a small brewery in Menomonee Falls. It also explains the Chamber's opposition to Edward Kennedy's bill which would make it easier for small firms to band together and go to court (where they would, in all probability, sue big firms). A 1979 poll of members of the National Federation of Independent Businessmen, a small-business group, showed its members favored the Kennedy bill two to one.

The Chamber's heavyweight clients also explain its support for some measures that would use government regulation to do in smaller firms. One such bill would require auto buyers to purchase their parts from the same company that made their cars. This would benefit the Detroit automakers, obviously, but legislate out of business the entire automotive "aftermarket" of small, local firms that make replacement parts—and usually sell them for less than Detroit demands. It's also, of course, a flagrant contradiction of free-market capitalist principles—Adam Smith would send the invisible hand over to throttle anyone who proposed such a measure. But of course, we forget. It's not the Chamber that's proposing that cheap auto parts be regulated out of existence—it's 15,000 concerned citizens in Asheville, North Carolina. ■

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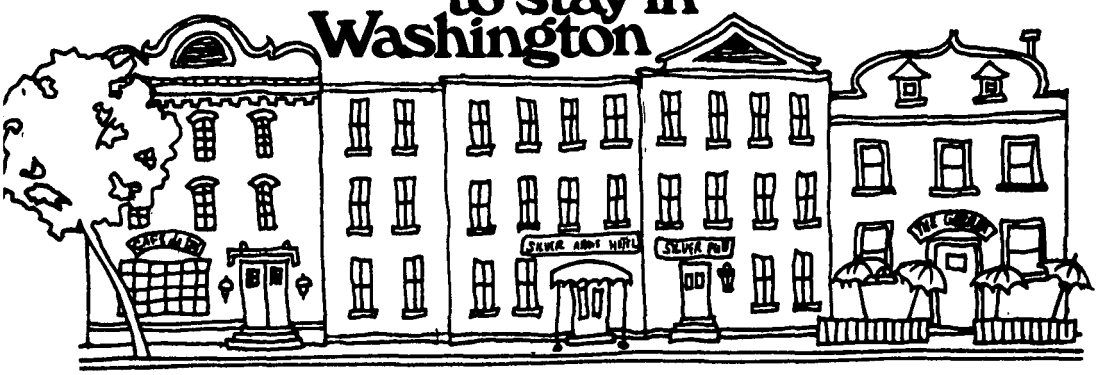
Where to stay in Washington



N Street N.W.

There's a small hotel, on a quiet street lined with trees and townhouses. A street without neon signs or fast-food restaurants, yet only a block from Connecticut Avenue, two blocks from a Metro subway station, and a short walk from some of the best stores and restaurants in Washington.

That sounds like an impossible dream, but such a street exists: N Street N.W., between 17th and 18th Streets. Residents and preservation groups have managed to save this block from the developers who have done so much to make downtown Washington indistinguishable from other cities. Some of N Street's treasures have been lost—including the homes of Franklin D. and Teddy Roosevelt—but the street retains a strong sense of a time when life was a little less hectic and plastic.

Two of the hotels, **The Tabard Inn** and **The Gralyn**, faithfully uphold the Victorian tradition. They are comfortable places, 19th-century townhouses with rooms simply and sparingly furnished with period pieces the owners have picked up in used-furniture and antique shops.

The Tabard Inn, 1739 N Street N.W., (202) 785-1277, is a lively place, especially popular because it has a bright, attractive restaurant (with a garden terrace), a bar, and a living room with dark wood paneling, sink-in sofas, and oriental rugs—a fine place to relax and chat over a drink (except when someone's got the TV—the only one in the hotel—turned up too loud). The Tabard's principal drawback: its prices. Singles with bath, $48-$67; without, $27-$33; doubles with bath, $64-$83; without, $49. Additional persons, $16 each (including children). Continental breakfast is included in the room rate. If you can survive the climb (no elevator), there's a "penthouse"—the whole top floor of one of the three townhouses that comprise the Tabard—for $75 single, $100 double, and $25 per additional person. No group or long-term rates, and the hotel doesn't accept charge or credit cards.

The Gralyn, 1745 N Street N.W., (202) 785-1515, is the bargain of N Street. Singles with bath, $30; without, $20; doubles with bath, $40; without, $25. Additional persons, $8 (including children). Behind one of The Gralyn's two townhouses is an attractive garden, a nice place to have breakfast (the only meal available), and behind the other townhouse is one of Washington's rareties: free parking. No elevator. In-room TV available.

The Canterbury Inn, 1733 N Street N.W., (202) 296-5576, is regarded by many as the black sheep of the block—a ten-story replacement for those wonderful Roosevelt houses. The new management is trying to atone for the hotel's sins with a $1-million, floor-by-floor refurbishing, which will carry the decor back from a worn-out 1960s-modern to 18th-century-rediscovered. Color TVs and a new phone system will bridge the time gap. Formerly an apartment hotel, the Inn's 99 suites have kitchens; there's also a laundry and a sun roof. If you don't want to cook your own breakfast, a complimentary breakfast is available in the **Polo Pub,** which also serves light dishes and hot sandwiches at lunch and dinner. During the refurbishing process, you have a choice of two rates: un-redecorated and redecorated (higher). Singles, $32 and $44; doubles, $38 and $50. Additional persons (regardless of decor), $6 each; children under 12 free. Long-term rates available on request. Parking nearby at $3 overnight.

The only non-hotel restaurant in the block is **The Iron Gate Inn,** which offers good Middle Eastern food, adequate American dishes, and wine by the carafe, all at moderate prices. During the winter you're in the paneled, converted carriage house with wood-burning fireplace. From April through October, the courtyard is one of Washington's most charming settings for outdoor dining.

—Carol Trueblood

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Who's Who in the Carter Administration

One common rule for getting ahead in a bureaucracy is to work for somebody powerful. But there is another route. Work for a boss who is not so powerful, but who—due to title, custom, or courtesy—is regularly invited to meetings with people who are—meetings at which you, as his deputy, can display your skill and wisdom. This seems to be happening to **Gene Eidenberg**. His boss, **Jack Watson**, is not one of the more influential White House officials, but Eidenberg is building a reputation for competence and sound judgment on his own... Also on the rise in the White House is **Ray Jenkins**, the former editor of the *Montgomery Advertiser*, who is now Jody Powell's top assistant... Meanwhile, **Bernard Aronson** has been summoned back from the dead—bureaucratically speaking—after languishing for months as Carter's ex-speechwriter. He now works on labor liaison for Hamilton Jordan...

In

WHITE HOUSE

Special Adviser to the President—**Alfred Moses,** an attorney with Covington and Burling, will handle relations with Jewish groups.

AGRICULTURE

Deputy Undersecretary for Commodity Programs—**Winston Wilson** is a farmer/rancher and past president of the National Association of Wheat Growers.

EDUCATION

Deputy Undersecretary—**Margaret McKenna** has been deputy counsel to the President.

Deputy Undersecretary—**Michael J. Bakalis** was an unsuccessful candidate for governor of Illinois in 1978. He served as that state's superintendent of public instruction from 1971-1975.

LABOR

Director, Job Corps—**Richard A. Jaffe** has been a deputy regional director of the Job Corps.

STATE

Deputy Administrator, Agency for International Development—**Joseph C. Wheeler** has been assistant administrator of AID's Near East bureau.

Assistant Director, Arms Control and Disarmament Agency—**David M. Clinard** has been deputy assistant director for ACDA's International Security Programs Bureau since 1977.

Ambassador to Finland—**James E. Goodby** has been deputy assistant secretary for European Affairs.

AGENCIES AND COMMISSIONS

Federal Maritime Commission
Commissioner—**Peter N. Tiege** has been vice president for legal affairs of World Airways.

Federal Reserve Board
Governor—**Lyle E. Gramley** has been a member of the Council of Economic Advisers.

U.S. Railway Association
Chairman of the Board—**Stephen Burger**, a professsor of public administration at New York University, will head this agency, which oversees the operation of Conrail.

Out

Justice
Chief of the Internal Security Section, Criminal Division—**John H. Davitt** has retired.

State
Deputy Administrator, Agency for International Development—**Robert Nooter** will be the resident representative of the World Bank in Dar-es-Salaam, Tanzania.

Agencies and Commissions

U.S. Railway Association
Chairman of the Board—**W.K. Smith** will be vice president and director of transportation for General Mills.

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ATTACK OF THE ATOMIC TIDAL WAVE

Sighted S.U.M., Sank Same

by Bill Keller

On March 25, the Defense Department dramatically disclosed in public one of the ghastly secrets of modern nuclear strategy. Testifying before a House subcommittee, Pentagon officials revealed that an enemy could barrage our coastal waters with nuclear warheads timed to explode under the ocean, creating an immense tidal wave. ("I can't tell you how big," a Pentagon PR man later confided in a hushed voice, "but it starts out at a height not unlike that of the Empire State Building.") This great breaker, called the "van Dorn effect" (after the Defense Department scientist who discovered its potential), would destroy all vessels in its path and, incidentally, smash coastal cities into so much driftwood.

It was an uncharacteristic performance for the Pentagon, not an organization famous for its dedication to the public's right to know the latest military secrets. In fact, the van Dorn effect was precisely the sort of secret you might expect the generals to want to keep, on the off chance the Soviets hadn't heard of it. But, as the hearings wore on, it became clear that our top defense planners had come to believe they had little choice but to reveal the secret in all its terrifying details. It was the only sure way to eliminate what they perceived as a threat to America's two most expensive nuclear weapons—the Trident submarine and the land-based MX missile. The threat was a new weapon, superior in many ways to anything the Pentagon was building; it was cheaper, more effective, and invulnerable. This was no time to worry about the Russians—Congress was talking about building small submarines.

Bill Keller is a Washington writer.

Sub for a Hero

The threat had been present for decades, ever since we began putting our nuclear missiles to sea in subs. Lying in wait under the seas, the submarines could survive any nuclear exchange—for the simple reason that they would be virtually impossible to find—and after the attack they could deliver their warheads to any point in the U.S.S.R.

The logic of the missile-carrying subs

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had always seemed to lend itself to a philosophy of "small is beautiful," at least to a minority in the defense establishment. They would trot out arguments like Lanchester's Law, which holds that if you have twice as many weapons, they need only to be one fourth as effective. Since the virtue of subs was that they were hard to track down, it followed that many small subs would be preferable to a few large ones. The fact that small submarines are easier to hide (they present smaller profiles to enemy sonar) seemed to strengthen the case. To military laymen—and I am certainly one—the idea has an obvious simplicity and appeal that is almost irresistible.

But it was not an idea that ever held much sway with Admiral Hyman Rickover. Rickover wanted submarines that could range the world, fast and deep, staying submerged for long periods without the need to refuel. That meant nuclear-powered submarines. And once you've decided to build your ship around a nuclear power plant, Rickover argued to a receptive Congress, you might as well go for economies of scale and load the thing to the gunwales. Under Rickover's guiding hand, each generation of subs got bigger, fancier, and fewer; the contracts to build them got less competitive and more expensive. First came Nautilus, then Polaris and Poseidon, and finally the masterpiece of the Rickover mentality, a self-contained, 24-missile, 240-warhead submersible fortress the size of the Washington monument called the Trident. In the early seventies, the decision was made: where there were 41 missile-carrying submarines in service, America's nuclear deterrent would be packed into a dozen of these $1.65-billion monsters.

Meanwhile, as the Navy was committing itself to the Trident, in defiance of Lanchester's Law, the Air Force was running into problems with its leg of the nuclear "triad," the land-based ICBMs. (The third leg of the triad consists of long-range bombers, mostly B-52s.) Soviet missiles were getting accurate enough to "theoretically" destroy the silos containing our Minuteman missiles. The Air Force requested a bigger missile with more warheads, known as the MX, so that whatever survived a Soviet attack could deliver a more crushing counterpunch.

There were, of course, those who questioned this widely publicized concept of "Minuteman vulnerability." To over-simplify, they pointed out (a) that what the Soviets can hit in theory, they've never had to hit in practice and probably couldn't, and (b) they could not afford the risk that we'd empty our silos as soon as the attacking missiles appeared on our radar screens, a maneuver called "launch on warning" or "launch or lose." Surprisingly, many military supporters of the MX, including several whom I have interviewed, agree with this critique: no real military need for the MX, except to bolster America's sagging confidence. Back in 1975, Senator John Culver, then a newcomer on the Armed Services Committee, listened to this argument about "psychological insurance" and suggested the Pentagon could save a hell of a lot of money by just hiring a good PR man. Everyone chuckled, and then Congress gave the Pentagon what it wanted. Congress was so impressed with the Russian threat, in fact, that it decreed the new missiles would somehow have to be made invulnerable. The Pentagon's job was to figure out how.

Screen Doors

By 1978, this issue of ICBM invulnerability was the hottest subject in the field of weapons research, and it was chosen as the topic for a three-week summer study session of about 40 academic scientists and Pentagon advisers known as the Jason Group. Among the group's members is an IBM physicist and Harvard professor named Richard Garwin. Garwin is regarded as a little quirky by the military establishment. He once proposed a cheap defense system for missile sites which involved simply blowing up trenches full of ball bearings and scrap metal in the face of onrushing enemy missiles, sort of a *Popular Mechanics* Anti-Ballistic Missile. (The idea did not strike the Pentagon as. . . well, sufficiently *military*.) But Garwin is an acknowledged genius in the field of weapons systems, and the Pentagon is willing to pay for his ideas, maintain his access to classified material, and tolerate his creative eccentricities.

The more Garwin and his think-tank colleagues thought about the alternatives to the Minuteman, the more one alternative began to look extremely attractive. It was the alternative that Rickover had

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vetoed—the small submarine. At the end of the session, the Jason Group sent the Pentagon a secret paper on what they called the "water-based MX." The proposal looked so promising that they chose to spend the next summer's session refining it.

The idea was simple: take a fleet of little, diesel-powered, no-frills submarines—say 100 of them. Strap to either side a tube containing a missile. When the tube is released, it bobs to the surface and fires, and the missile is steered to its target by a combination of satellite and on-shore guidance systems. The missile would have all the accuracy and firepower of the MX—it could, in fact, be the same missile—with an added virtue that no land-based system could hope to achieve: the ability to hide in the quarter-of-a-million miles of water close to our shores.

The Jason Group picked out a small German submarine that could be modified for their purposes. About 160 feet long, weighing 450 tons, and carrying a crew of 15, each vessel is one-fortieth the size of a Trident, and would cost around $30 million to build. The group then developed (on paper) the communications and guidance systems it would need. They christened their baby SUM (for Shallow Underwater Mobile) and sent their study to the Pentagon, along with Garwin's arguments that SUM would be far cheaper, would have greater strategic value, and would create none of the environmental problems of the alternatives being considered by the Air Force.

Those alternatives did present quite a contrast to the Jason Group's thinking. Where SUM was simple, the Air Force had proposed, and then discarded, a series of grandiose, complex schemes for making a land-based MX missile a moving target. Eventually they settled on the now-familiar "racetrack" system, in which each missile is to be tucked under the skirts of a huge metal shield-on-wheels and driven around a 15-mile oval of heavy-duty road, pulling up at a series of 23 hardened concrete shelters and secretly depositing the missile in one. The Air Force plans 200 missiles, chugging around 100 racetracks, connected by 10,000 miles of road, and occupying, by conservative estimate, about 8,000 square miles of land in the desert valleys of the American Southwest. As for cost, the Air Force estimates a tidy $37 billion.

The Jason Group wasn't convinced. Richard Garwin felt it was an "open question" whether the SUM system was superior to the Navy's Trident—open, because it had never been thoroughly studied. But he had little doubt that SUM stood up as an alternative to the racetrack MX. In fact, he estimated that it would cost roughly half as much to have 100 little subs as to have 200 racetracks. And the subs (with two missiles each) could be deployed two to three years sooner.

The Air Force, which was making loud public noises about analyzing every possible alternative for the MX, had to give the Jason Group's plan some consideration. But not much. According to an Air Force official who was privy to ICBM planning at the highest levels, the SUM proposal was treated from the start as a nuisance. The Air Force wasn't about to hand over its prestigious leg of the sacred triad to the Navy; nor was it about to embark on a submarine program of its own. The official characterizes the Air Force's basic analysis like this: "Put some of our missiles underwater? You've got to be out of your *mind*."

In the Navy, SUM fared still worse, if that was possible. To an even greater extent than the Air Force, the Navy had already set its course in nuclear warfare—the Trident. ("Admiral Rickover told me in the 1960s that the Navy would never again build a non-nuclear-powered submarine," Garwin recalls.) So among the admirals the little sub sank as if it had screen doors. With the Trident eating up a huge share of the Navy budget, nobody was going to propose *another* strategic submarine. And then there was a more disturbing, unspoken thought: if SUM worked, if the MX missile really could be launched effectively from cheap, undetectable vessels lurking just off U.S. coasts, then who needed the mammoth, globe-girdling Trident? Troubling, indeed, for while by 1979 there were plenty of Navy officers who now wished the Trident program had never been started, none was ready to endorse an alternative that might sink the program in midstream.

"Oh, there were studies," said a former defense official, now a consultant, who was involved in the Pentagon's handling of the issue, "And every one was bullshit. Listen, I've never had a contract yet to study something where I didn't know what the outcome was supposed to be." As Garwin

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put it, more drily, in a recent paper, "organizations which derive most of their funds in contracts from the United States Air Force or United States Navy are reluctant to imperil their future by accepting modest study contracts whose success may expose to criticism or termination large programs important to their chief sponsors."

Comparison Shopping

So it was that the small submarine came to be viewed as a threat by the Navy, the Air Force, and the Pentagon. At first, however, it didn't seem like much to worry over. About the only thing it had going for it were the tireless lobbying efforts of Garwin, and the disturbing fact that it can apparently do everything the MX and Trident can do, more effectively, at a fraction of the cost.

There is, for example, the question of missile range. The big advantage of long-range nuclear subs is their ability to maneuver close to their targets. But the same improvements in range and accuracy that allow the Russians to threaten our silos have been applied to our own weapons, to the point where the newest family of Trident missiles will be capable of hitting Moscow from San Francisco Bay. "If the missile gets longer and longer in range, the submarine doesn't need much range at all, does it?" says Michael McGuire, a British expert in maritime and strategic studies (and a small sub advocate), now at the Brookings Institution.

Then there's Lanchester's law. Ever since America plunged into the nuclear sub business, Russia has invested a huge amount of basic research on ways of tracking down and destroying our subs. Most likely, they haven't found a way to catch a Trident yet—at least that's what the experts say—but it stands to reason that we are making the game a whole lot easier for them by having all our underwater nuclear eggs in twelve Trident baskets. When you realize that the Tridents are easier to spot and easier to track than the Poseidon and Polaris subs we have used until now, it's not hard to understand the urgency of the Pentagon's desire to protect the other leg of the nuclear triad, the ICBMs.

Unfortunately for the Pentagon, the Air Force's chosen ICBM strategy, the "racetrack" MX, is so awesomely flawed that even diehard hawks don't like it. It is hard to know where to begin listing its problems. Not counting its (current) $37-billion price tag, they include:

- *Resources*: In a region perennially short of water, the military wants to dig deep wells and suck up 90 billion gallons over the next two decades—but the Pentagon is not sure that much water is there. If it is, much of it will be mixed with concrete (twice the amount poured into Hoover Dam) that is also in short supply. The project demands enough electricity for a new city of 180,000 people, and nobody yet knows where that is to come from either. Environmentalists are worried about damage to the 8,000 square miles of land that will be affected by the project, ranchers are worried about grazing access, and city fathers are concerned about schools and sewers for the 14,000 missile operators and their families. (These groups will have ample opportunity to press their case in the courts—under the nine major and dozens of minor laws controlling federal land use—along with the Shoshone Indians who claim much of the land as their own.) Still, none of these concerns would justify blocking the project if we needed it—if it really did remove the threat of Russian nuclear attack. But it won't.
- *Arms control*: For a project designed to accommodate the SALT II treaty (the shelter lids pop open for easy counting of missiles) the system is an arms controller's nightmare. The point of having 4,600 shelters is that the Soviets would exhaust their arsenal in search of our missiles. But if SALT II falls through, the Soviets can simply build many more warheads, in response to which the Pentagon plans to toss up more shelters, and so on in a wild game of nuclear leapfrog. It's a game *they* win, because they can build warheads faster than we can build shelters, and while they don't have to shoot their warheads at the MX, we can't shoot our shelters at anything.
- *Vulnerability*: The whole fuss is about "ICBM vulnerability," we're told. But the General Accounting Office says it is "an unresolved issue" whether the military can really hide its missiles in this shell-game arrangement. A million pounds of equipment moving around a racetrack gives off noise, radiation, and about 30 other "signatures" that might make it easy

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for the Russians to pick the right shell. To guard against such detection, the Pentagon may have to cordon off thousands of extra square miles under tight security, which it has promised never to do.

In case the Russians get good at guessing, the system is also supposed to allow the missile, on its transporter, to "dash" from shelter to shelter even after the Russians have launched an attack. But Garwin points out that a Russian missile launched from an offshore submarine could hit the transporter (which "dashes" at 30 m.p.h.) before it had gotten even a quarter of the way around the racetrack. This, coupled with the possibility of future technology—such as the "real time" surveillance of racetracks by satellite during a nuclear war—leads Garwin to assert flatly that "by the time the first MX missile is operational in a racetrack configuration, the racetrack will be regarded as more vulnerable than the Minuteman silos are now."

The Hawks Squawk

These were troubling questions, all right, but not too troubling—because, as long as no one except the Jason Group was seriously proposing SUM as an alternative to the land-based MX, they might never have to be answered. The Pentagon could count on reactions like the one I heard from a senator's defense adviser: "The racetrack is screwy. It's unpopular. It's expensive. But what else is there?" And in the fall of 1979, most of the Senate's "doves," resigned to the need to buy off the critics of SALT with whatever form of MX they wanted, weren't wasting much energy looking for practical alternatives.

The small sub did find one advocate, in Senator Mark Hatfield. From the Pentagon's point of view, Hatfield was a near-ideal choice to be SUM champion. On defense matters, most senators defer to the "experts" on the committees governing military affairs. Occasionally a member of these committees might propose an idea the Pentagon doesn't like and succeed in having it adopted—but such proposals stand little chance if they come from one of the liberal members of the committees, like Gary Hart. They have almost no chance if they come from Mark Hatfield, who is not on the Armed Services Committee, and who is about as close as you'll get in the U.S. Senate to a genuine pacifist.

Still, Hatfield was a member of the Appropriations Committee, through which any money for the racetrack would have to pass. And he was, as they say, doing his homework—collecting material from Garwin, mastering tongue-twisters like "prompt hard target kill capability." The first sign of trouble came when Hatfield made a motion in the Appropriations Committee to strike the MX budget for the year and fund a full-scale study of SUM. The motion failed, but the vote was 15 to 9—too close for comfort, even if Hatfield's support was "soft" and his proposal got only 11 votes from the full Senate when the MX came up on the floor last November. (Instead, the Senate passed an amendment requiring the Air Force to keep its MX options open, which the Air Force has interpreted as meaning only land-based options.)

But there was more danger ahead. It wasn't senators like Hatfield, or the chance that SUM might actually win a surprise vote. It was senators like Paul Laxalt of Nevada and Jake Garn of Utah, and representatives like Utah's Gunn McKay—prominent "hawks" from the Western states where the racetrack complex was to be built. These men could normally be counted on as loyal supporters of Pentagon plans, and, indeed, they were firmly behind the MX missile itself. They were, however, feeling pressure from their constituents. The residents of Utah and Nevada had believed the Pentagon once before, when it said there was no danger of radiation exposure from above-ground atomic tests in the area. They were more skeptical this time, not so ready to accept a plan that would block off their land, drain their water, and disrupt their communities. It was disconcerting to see Garn lecture Defense Secretary Harold Brown about the erosion of popular support for the racetrack, or to see Laxalt and Garn pledge, in a joint statement, "We are more determined than ever to find an alternative to the racetrack basing mode. . . ."

SUM Meets Irwin Allen

And so the Pentagon, taking no chances, decided to act swiftly against the small sub threat. Quietly at first, in closed-door

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briefings, defense officials began telling the appropriate committees about the van Dorn effect. Later, when McKay, as chairman of the House Appropriations military construction subcommittee, decided a hearing was necessary to air the alternatives to the racetrack, the Pentagon decided to go public. William Perry, the Pentagon's undersecretary for research, and Seymour L. Zeiberg, deputy undersecretary for strategic systems, went before the McKay committee and testified, in graphic detail, how nuclear explosions in shallow water would ricochet off the ocean floor, creating the vast wave that would demolish any small vessel. "It would simply turn over a submarine and destroy it," said Perry. During a break in the hearings, Zeiberg confided to *Washington Post* reporter George C. Wilson that the Defense Nuclear Agency "had conducted exhaustive studies on underwater explosions, *studies that the advocates of the coastal submarine did not know about.*" Wilson dutifully reported this information to his readers the next day, in an article headlined "Pentagon Gives a Picture of Tidal Assault on Subs." Later, for some lawmakers, there was a film illustrating the tidal wave's effects with the scale models used to depict similar calamities in disaster movies. As a finishing touch, the Defense Department hinted at an uncirculated report on SUM that had raised questions about its durability and cost.

When I talked with congressmen and their staffs after the tidal wave story had hit the papers, it was clear that the military's gamble had worked. One senator's aide, who had previously been interested in the small submarines, shook his head and muttered, "It's sort of Buck Rogers, but that damn van Dorn effect has got to be reckoned with." Over at the Pentagon, officials seemed as proud of their little revelation as if they had just bagged a brace of Soviet ICBMs.

There was just one potential cloud on the military horizon, which is that Garwin and his allies had answers to the doubts the Pentagon was now raising. The van Dorn effect? They had reckoned with that one last summer, when it was still a secret. They had, in fact, read the secret studies that Zeiberg revealed to the *Post*. And their answer had been simple: The van Dorn effect only applies to the shallow waters of the continental shelf. Off the East Coast, this underlip of the North American continent juts out an average of 50 miles, and in some places up to 200 miles. Off the West Coast, where coastal mountains plunge deep into the sea, there is hardly any shelf at all. All that the small submarine needs to do to avoid Russian-made tidal waves is slip out beyond the continental shelf, where even if the Russians decided to sink their arsenal into American waters, they could not hope to destroy more than a fraction of the submarines. And even if you assumed that the subs were "vulnerable" during the time they crossed the shelf going to and from port, they could still spend enough time at sea on their two-week tours of duty to more than match the land-based MX in terms of invulnerability. "In every technical and military respect," declares Kostas Tsipas, an MIT physicist and Jason Group member, "the van Dorn effect is irrelevant to the small submarines."

As for the uncirculated study which purported to show that an effective SUM would cost as much as the racetrack—Garwin had answers for that one too. For example, the study assumes that the bases for SUM will cost as much as bases for the nuclear Trident, despite the fact that small diesel subs do not need the Trident's deep-draft locks or the elaborate facilities to refit its nuclear power plants. The complex maintenance required by the Trident is the major reason why an estimated 50 percent of all Tridents will be out of commission at any given time (which means, remember, only *six* Tridents at sea)—yet the Pentagon applied the 50-percent figure to SUM's conventional subs, which can be expected to stay at sea for a far higher proportion of their time.

The Air Force knows these things. Perry and Zeiberg, the Pentagon officials who made the March 25 attack on SUM, know them too. Defense officials concede, for example—if pressed—that the van Dorn effect only really applies to the continental shelf. But they are making no great efforts to correct Perry's testimony.

And the van Dorn effect is still the first thing they throw at an inquiring reporter, or anyone else, who expresses some curiosity about SUM. If that doesn't work, of course, they still have other arguments in reserve. As one lieutenant colonel in the Air Force MX public affairs office summed them up: "Once you get into these small submarines, you have to tell me the Navy's been doing the wrong thing for 30 years." ■

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There Must Be 50 Ways to Lose Your MX

Pentagon planners in their debates over whether to "base" the MX missile in a "shell game," "racetrack," or some other similarly costly system, have overlooked many simpler and cheaper alternatives. They include:

THE "NOW YOU ICC THEM, NOW YOU DON'T" STRATEGY: MXs would travel the highways via regulated common carrier. ICC rules require that many trucks take their cargo to its destination, then return empty. MX missiles would be loaded on for each empty run, thereby finding a use for this fuel-wasteful trip.

Since much of MX's value is said to come from the psychology of a major defense commitment, this mode would be ideal. Citizens would be constantly reminded of our commitment by being able to see, touch, and collide with thermonuclear weapons.

During a nuclear attack, trucks would "dash" to launchers hidden at roadside weigh stations, which are always closed anyway.

THE JOHN PORTMAN GAMBIT: Every new hotel, convention center, and shopping center in America has outdoor glass elevators. They would be converted to double as launching tubes. During SALT negotiations, the Soviets would be asked to pledge never to start Armageddon during happy hour.

THE THREE-CAR MONTE PLOY: The missiles, which are already long cylinders, would be enclosed in railroad chemical tank cars. They would ride the rails as part of regular trains, evading Russian spotters by getting lost on sidings for days at a time like all other cars. To launch the missiles the cars would only have to be derailed, instantly splitting them open.

THE MELTDOWN COUNTDOWN GAME: MXs would be secreted in the cooling towers of nuclear power stations. Russian spy satellites would be unable to determine which towers had missiles because their sensors would be "blinded" by conflicting radiation data around the plant. Also, no Russian spy would be willing to get close enough to the plants to find out for himself.

THE LAUNCH AT THE END OF THE TUNNEL TRICK: MXs would be towed behind subway trains. In New York, patriotic volunteers would quickly camouflage them with spray paint. In San Francisco, Soviet agents plotting to sabotage BART's missiles would spend hour after endless hour waiting for them in stations. To soothe the nervous Soviets by making MXs less accurate, the missiles' navigational systems would be designed by the same company that built the Farecard machines for Washington's Metro subway. When it came time to launch, Metro's missiles would be blasted up through the elevators for the handicapped, which are always out of service anyway.

THE FIRST-CLASS DEFENSE STRATEGY: Starting during the old Saturday delivery hours, when post offices will now be empty, MXs will be crated up in plain wrappers and mailed to other post offices via parcel post. That way, no one will ever know where they are.

—*Gregg Easterbrook*

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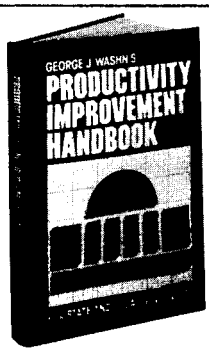

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political book notes

Public affairs books to be published in May.

Aspects of the Presidency: Truman and Ford in Office. *John Hersey. Ticknor & Fields, $11.95.* Here's Gerald Ford rehearsing in a session with his speechwriter: "Carl Albert picked up Bella Abzug's hat by mistake... put it on... and disappeared for three days.... If I get a big laugh, would it be a good idea to gesture, as if I'm putting on a big hat?"

It would be hard to imagine Harry Truman going through that routine with an underling.

John Hersey was given the unusual opportunity of watching closely while each of two presidents—Truman and Ford—conducted the nation's affairs. He was with Truman sporadically over three months and, 25 years later, with Ford almost constantly for one week.

Under Truman, Hersey found the presidency "all nervous energy, moral intensity, emotion in harness, history clamoring for expression." Under Gerald Ford, Hersey found it relaxed, "floating in a vacuum of history." He speculates that Ford's years in Congress conditioned him to juggle innumerable problems on a day-to-day basis with more interest in the mechanics of the process than with the effect of the decision. Ford wistfully asks his advisers, "Can't we come up with better titles for things? The Democrats come up with Model Cities and we come up with the Ocean Dumping Act."

In the end, the reader is left with the uncomfortable feeling that it's more than a matter of titles—that we have been sliding from an era of substance to a time of image.

—Leonard Reed

Blitzkrieg: From the Rise of Hitler to the Fall of Dunkirk. *Len Deighton. Knopf, $14.95.* This book, while mostly a recapitulation of the familiar, has a couple of interesting points. One is that, given equipment of roughly equal quality, imaginative use of it can make up for a considerable difference in quantity. The British and the French had 700 more tanks than the Germans in May 1940, but Heinz Guderian had a better idea about how to use his. One can't help fearing that such imagination today would not be rewarded in the promotion policies of the American military. Deighton's other interesting point is that Hitler's anti-Semitism kept him from ruling the world. If he had not expelled or murdered his Jewish scientists, they would have given him the atom bomb first.

—Charles Peters

Congressional Odyssey: The Saga of a Senate Bill. *T.R. Reid. W.H. Freeman, $9.95/$4.95.* This book is Heisenberg's Uncertainty Principle as applied to reporting. Early in 1977, New Mexico Senator Pete Domenici introduced a bill to impose fees on the barges that travel the federally-financed canal system. Similar measures had been proposed by every administration since Franklin Roosevelt's; all had gone nowhere. Luckily for Domenici, early in 1977 the editors of the *Washington Post* "decided that a good way to explain the legislative process would be to pick a typical bill and follow its progress in a series of articles." The *Post* picked Domenici's proposed barge-charge as its typical bill, and it picked reporter T.R. Reid to cover it. Of course, with the *Post* running front page stories on the bill, the barge-fee legislation became anything but typical, and the unusual publicity it received propelled the previously doomed fee through Congress.

Although this is not docudrama, Reid approximates the flatfooted Woodstein style ("... it left [Domenici] sorely frustrated. 'Man, it's so frustrating,' the Senator said...."). And, as usual, the author's primary sources—in this case Domenici and his aides—come off looking like the heroes of a Frank Capra film. But the

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narrative moves along nicely, and gives an intelligent account of the day-to-day strategies of legislating and lobbying.

—*Robert M. Kaus*

Criminals and Victims: A Trial Judge Reflects on Crime and Punishment. *Lois G. Forer. Norton, $12.95.*

The Duping of the American Voter: Dishonesty and Deception in Presidential Television Advertising. *Robert Spero. Lippincott/Crowell, $12.95.*

The Fall of the Shah. *Fereydoun Hoveyda. Wyndham, $9.95.*

The Fleecing of America. *William Proxmire. Houghton Mifflin, $10.95.*

The Great Billion-Dollar Medical Swindle. *Keith Alan Lasko, M.D. Bobbs-Merrill, $10.95.*

How Washington Really Works. *Charles Peters. Addison-Wesley, $10.95/$5.95.*

The Law: Or Still in Pursuit. *C. Northcote Parkinson. Houghton Mifflin, $8.95.*

Laying Waste: The Poisoning of America by Toxic Chemicals. *Michael Brown. Pantheon, $10.*

The Lean Years: Politics in the Age of Scarcity. *Richard J. Barnet. Simon & Schuster, $12.95.*

Mao. *Ross Terrill. Harper, $17.95.* It isn't that Ross Terrill can't write well about China. He can and did in his book *800,000,000: The Real China.* But this biography reads as though it was cobbled together over a long weekend when there were many distractions. Early on, Terrill's editor seems to have gone out for a walk, leaving the author alone with an inexhaustible supply of excruciating metaphors.

The role of warfare in Mao's philosophy? "It was when Mao grasped the gun that he got his act together." Mao never just *learned* anything: "The incident burned into Mao's broad brow for life." What did Mao do with his new ideas? He "hurled several mental grenades into the packed trenches of the Yanan intelligentsia." He read a magazine that "jabbed the rapier of modern Western ideas through the ribs of China's rigid traditions." He "jumped" at these ideas but "grasped them only as pills and Band-Aids." One gets the impression that Terrill must have cut himself or fallen downstairs shortly before writing this paragraph.

Lurking somewhere in this book is a fascinating story. Mao learned how to make revolution but not how to run a government. He never could figure out what to do about China's bureaucracy—by far the largest in the world—except to create turmoil every few years and see what happened. Near death, he took to writing

(continued on page 64)

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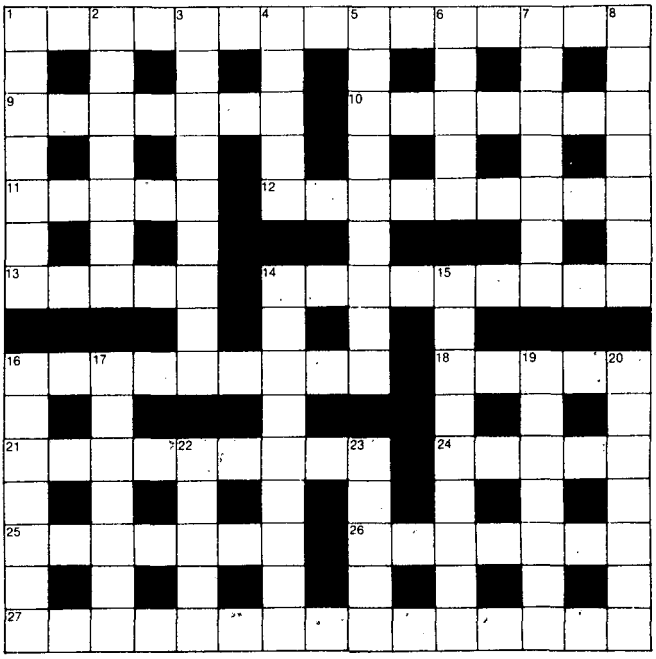
the political puzzle

by John Barclay



The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.

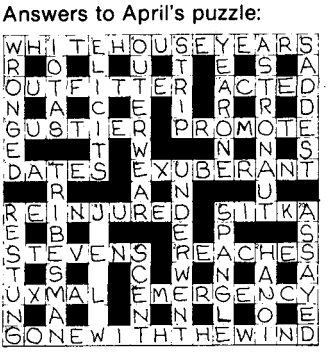
Across

1 You heard it first here about star nearing deep. (9,6)
9 Grew strong or not a dearth, anyway, with four in it. (7)
10 Rising over to some chagrin. (7)
11 Copy from audit total. (5)
12 Tire lines made to have a lot of bounce. (9)
13 Beverage guzzled in Alamo charge. (5)
14 Smashed dodo veers wildly.... (9)
16 ....before we hear leader. (9)
18 How a square became partisan? (5)
21 When confused, Pat met Ted and tried. (9)
24 Follow and see United Nations motion. (5)
25 Pore tea sloppily and run. (7)
26 Flowers arrangement I've lost. (7)
27 In may be decent petard, sir! (9,6)

Down

1 German meeting place turns up wild halt. (7)
2 Carter I is wild, wild! (7)
3 Crazy native oil is untouched. (9)
4 The Spanish and German came first. (5)
5 Passing wild rains in a tent. (9)
6 Put 90 in an eel to shine. (5)
7 Those who complain re prigs in a fashion. (7)
8 Addled agent Ed proved false. (7)
14 Open present may be across the Atlantic. (4,5)
15 She can fit Edna's mode. (9)
16 Use a pop to make broth. (3,4)
17 Arrange to meet Rex at the edge. (7)
19 Negative view it sends in code. (7)
20 Where Beau Brummel keeps his clothes? (7)
22 Southern city keeps one cripple up. (5)
23 Roman poet comes up before tea for some grass. (5)

Answers to April's puzzle:



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out cryptic messages. "Act according to the principles laid down," he admonished. It's something of a tribute to the old fox that China went through turmoil while competing factions pretended to know what those principles were.

—*Thomas N. Bethell*

The Palestinians. *Jonathon Dimbleby. Quartet, $25.*

The Pulse of Politics: Electing Presidents in the Media Age. *James David Barber. Norton, $14.95.*

Regulatory Bureaucracy: The Federal Trade Commission and Antitrust Policy. *Robert A. Katzmann. MIT, $17.50.*

Robert Oppenheimer: Letters and Recollections. *Alice Kimball Smith, Charles Weiner, eds. Harvard, $20.*

Street Games: Inside Stories of the Wall Street Hustle. *Alan Lechner. Harper & Row, $8.95.*

Thirty Seconds. *Michael J. Arlen. Farrar, Straus & Giroux, $9.95.* A term that badly needs replacing is "The New Journalism," which has been so loosely used over the last ten years that it covers such disparate writers as Hunter Thompson and Gay Talese. Instead, we ought to talk about "narrative journalism," of which this book is a good example—that is, nonfiction written with a plot, characters, dialogue, and other techniques traditionally associated with fiction.

Michael Arlen has written a narrative of the making of Bell Telephone's "Reach Out, Reach Out and Touch Someone" television ad—a great idea, and well executed too, with lots of piquant admanese talk about "concepts" and such. What it all means, beyond a lot of logistical headaches for those involved, Arlen doesn't say. The story might have been a jumping-off point for interesting speculation about the vision of America imparted by "mood" advertising, but, as is often the case in narrative journalism, the smooth spinning of the yarn leaves no room for that kind of digression.

—*Nicholas Lemann*

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Thy Neighbor's Wife. *Gay Talese. Doubleday, $14.95.*

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Whitney Father, Whitney Heiress. *W.A. Swanberg. Scribner's, $17.50.*

Who Votes? *Raymond E. Wolfinger, Steven J. Rosenstone. Yale, $15/$3.95.*

Women of Crisis II: Lives of Work and Dreams. *Robert Coles, Jane Hallowell. Delacourt, $10.95.*

The World's Greatest Real Estate Book: The One Way You Can Make a Fortune in the 80s. *Robert Stloukal. Times, $12.95.* This isn't just another financial self-help book that takes 120,000 words to say "buy low, sell high." It's one for these inflationary times, and it says "buy high, sell even higher."

Stloukal's thesis is to buy everything you can whenever you can. You'll get rich, he says, because all real estate always appreciates. Also, he contends, never put off a purchase no matter how high the interest rates. Even if the rates come down later, the price will have gone up so much you'll lose. (This works as long as you plan to turn the houses over fast.)

Financial propositions like this always make you stop to wonder. If housing goes up so fast you merely have to hold it for a while to make a profit, why does anybody ever sell?

And what is Stloukal's secret? Well, it has to do with minimizing the down payment. Stloukal will tell you how for $12.95. Mark O. Haroldson, that bald Mormon leaning on a Mercedes in those newspaper ads, will tell you for $10. But now that *I* know, I'll tell you for $5. Just send the money. This is the free marketplace of ideas, right? So buy my secret now for $5. Next year you can turn it over for $6.

—*Gregg Easterbrook*

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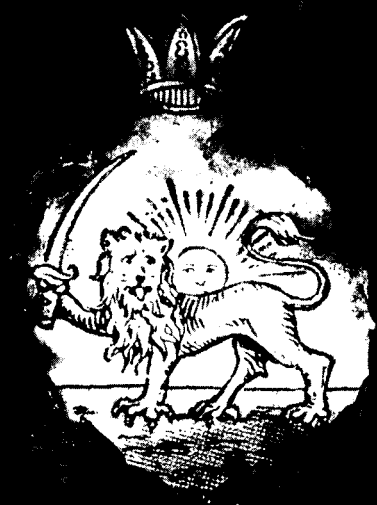
THE RISE AND FALL OF THE SHAH

by Amin Saikal



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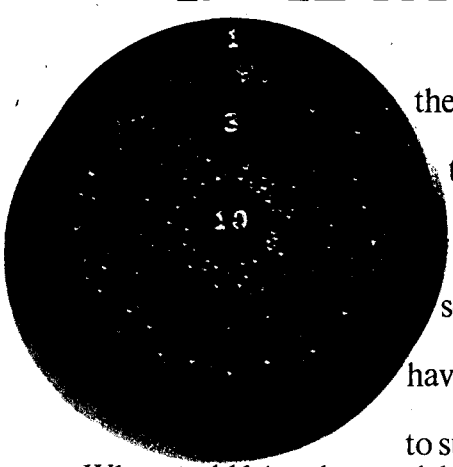

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